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## LEGISLATIVE HISTORY

Public Law 87-329

H. R. 9033

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## INDEX AND SUMMARY OF H. R. 9033

- Sept. 1, 1961 House Appropriations Committee reported H. R. 9033 which was committed to the Whole House Committee on the State of the Union. H. Report No. 1107. Print of bill and report.
- Sept. 5, 1961 House passed H. R. 9033 with amendments.
- Sept. 6, 1961 H. R. 9033 was referred to the Senate Appropriations Committee. Print of bill as referred.
- Sept. 13, 1961 Senate committee reported H. R. 9033 with amendments. S. Report No. 991. Print of bill and report.
- Sept. 14, 1961 Senate made H. R. 9033 unfinished business.
- Sept. 15, 1961 Senate passed H. R. 9033 with amendments. Print of bill with Senate amendments. Senate conferees were appointed.
- House conferees were appointed.
- Sept. 26, 1961 Both Houses received and agreed to the conference report on H. R. 9033. H. Report No. 1270. Print of report.
- Sept. 30, 1961 Approved: Public Law 87-329.



DIGEST OF PUBLIC LAW 87-329

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION ACT, 1962. Appropriates \$1,112,500,000 for development loans; \$296,500,000 for development grants, including \$2,800,000 for ocean freight for shipping gifts of food, clothing, etc.; \$30,000,000 for the Peace Corps; \$110,000,000 for the Inter-American Development Bank; and \$61,656,000 for the International Development Association. Authorizes the Export-Import Bank to make expenditures not to exceed \$1,300,000,000 for other than administrative expenses. Provides that any obligation of funds for procurement outside the U. S. of any commodity in bulk and in excess of \$100,000 shall be reported to the House and Senate Committees on Appropriations at least twice annually with a statement of the reasons why such foreign procurement will not adversely affect the economy of the U. S.









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
(For information only;  
should not be quoted  
or cited).

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Issued September 5, 1961  
For actions of September 1, 1961  
87th-1st, No. 153

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Senate passed bills to: Exempt certain migratory labor children from Fair Labor Standards Act; establish National Citizens Council on Migratory Labor. House committee reported foreign aid appropriation bill. House subcommittee voted to report bill for participation in feed grains program of farms on which summer fallow is practiced. House received amendment to budget for foreign aid appropriations. Sen. Neuberger commended USDA decision on watered hams.

## HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported H. R. 9033, the foreign aid appropriation bill (H. Rept. 1107). p. 16773

~~Received from the President "amendments to the budget for the fiscal year 1962 involving an increase in appropriations in the amount of \$1,200 million for the Agency for International Development" (H. Doc. 230); to Appropriations Committee. p. 16773~~

~~Received from the President "proposed supplemental appropriations in the amount of \$8,414,000 for various agencies of the executive branch" (H. Doc. 231) to Appropriations Committee. p. 16773~~

2. WHEAT. The "Daily Digest" states that "Committee on Agriculture: Subcommittee on Wheat and Subcommittee on Livestock and Feed Grains held a joint meeting and ordered reported favorably to the full committee H. R. 8914 (amended), to amend the Soil Conservation and Domestic Allotment Act in regard to summer fallow." p. D801



3. RECREATION. The Agriculture Committee reported with amendments H. R. 4934, to authorize the Secretary of Agriculture to modify certain leases entered into for the provision of recreation facilities in reservoir areas (H. Rept. 1104) p. 16773
4. POULTRY. The Agriculture Committee reported with amendments H. R. 7866, to extend the Poultry Products Inspection Act to Puerto Rico (H. Rept. 1105). p. 16773
5. WETLANDS. The Agriculture Committee reported with amendments H. R. 8520, to limit financial and technical assistance for drainage of certain wetlands (H. Rept. 1106). p. 16773
6. FOREIGN TRADE. Both Houses received from the President the fifth annual report on the trade agreements program (H. Doc. 234). pp. 16755, 16774  
The Ways and Means Committee reported with amendments H. R. 7692, to amend the Tariff Act of 1930 to require certain new packages of imported articles to be marked to indicate the country of origin (H. Rept. 1102). p. 16773
7. PERSONNEL. The Subcommittee of the Post Office and Civil Service Committee voted to report to the full committee H. R. 8565, to permit certain Government employees to elect to receive compensation in accordance with the Federal Employees Pay Act in lieu of certain compensation at a saved rate. p. D801
8. LEGISLATIVE PROGRAM. It was agreed that the public works appropriation bill will be considered on Thurs., Sept. 7. p. 16756

SENATE

9. FARM LABOR. Passed with amendments S. 1132, to provide for the establishment of a National Advisory Council on Migratory Labor to advise the President and the Congress with respect to all matters relating to migratory agricultural labor. pp. 16855-6  
Passed with amendments S. 1123, to amend the Fair Labor Standards Act so as to provide that a child may be employed in agricultural work outside of school hours if he is employed by his parents on the home farm, or if he is 14 years of age or over, or if he is between 12 and 14 years of age and works within 25 miles of his home with the written consent of his parents or if his parent or person standing in the place of his parent is also employed on the same farm. pp. 16856-61
10. PERISHABLE COMMODITIES. Passed with amendments S. 1037, to amend the Perishable Agricultural Commodities Act so as to improve and clarify provisions dealing with the eligibility for license of persons guilty of specified acts and persons affiliated with them; authorize an increase of license fees from \$25 per year to \$50, except for retail dealers and brokers of frozen fruits and vegetables; eliminate the Export Apple and Pear Act from the acts administered with license fees received under the Perishable Agricultural Commodities Act and authorize appropriations to carry out the Export Apple and Pear Act; regulate the use of trade names by licensees to prevent deception; provide that opportunity for an oral hearing need not be provided in reparation cases unless the amount in dispute exceed \$1,500 (instead of the present \$500); make it clear that in an appeal from a reparation order bond must be filed within 30 days after entry of the order and provide that the bond shall be in cash, negotiable securities, or the undertaking of a recognized surety company; and defer license suspension in case of appeal until all judicial appeals have ended. pp. 16802-4



## FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1962

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SEPTEMBER 1, 1961.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. PASSMAN, from the Committee on Appropriations, submitted the following

### R E P O R T

[To accompany H.R. 9033]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962.

#### SUMMARY OF THE BILL

The budget estimates for Foreign Assistance considered by the Committee are contained in the 1962 Budget on pages 89-102 and 566-571. These estimates were subsequently amended by House Documents Nos. 208 and 230.

The estimates considered by the Committee for the costs of administration of the Ryukyu Islands are contained on pages 603-606. The estimates for the limitation on the administrative expenses of the Export-Import Bank are contained on pages 136-141; those for investment in two development banks are on pages 880-881; and those for salaries and expenses of the Peace Corp are in House Document No. 226.

The accompanying bill provides \$3,555,245,000 of the budget estimate of \$4,993,991,000. This is \$1,438,746,000 below the budget estimates. The \$3,357,500,000 recommended for the Foreign Assistance program is \$896,000,000 below the amount contained in the authorization bill.

## TITLE I—FOREIGN ASSISTANCE

In view of the critical period through which we are passing, some members of the Committee are of the opinion, inasmuch as foreign aid is now acknowledged to be of a long range nature—perhaps for a period of at least 30 years—that the Congress should curtail, as much as possible, appropriations for the foreign assistance program until such time as the Congress has a more definite knowledge of the ultimate need for funds and resources for programs more directly related to our own security and welfare.

The tabulation below summarizes the action of the Committee on the major items of the Foreign Assistance Program for fiscal year 1962, as compared with the authorization. A detailed comparison with budget estimates is at the end of this report.

| Item                                          | Authorization,<br>1962 | Recommended<br>in bill, 1962 | Bill compared<br>with<br>authorization |
|-----------------------------------------------|------------------------|------------------------------|----------------------------------------|
| Development loans.....                        | \$1,200,000,000        | \$1,025,000,000              | —\$175,000,000                         |
| Development grants.....                       | 380,000,000            | 259,000,000                  | —121,000,000                           |
| Investment surveys.....                       | 5,000,000              |                              | —5,000,000                             |
| Development research.....                     |                        |                              |                                        |
| International organizations and programs..... | 153,500,000            | 153,500,000                  |                                        |
| Supporting assistance.....                    | 465,000,000            | 400,000,000                  | —65,000,000                            |
| Contingency fund.....                         | 300,000,000            | 175,000,000                  | —125,000,000                           |
| Administrative expenses.....                  | 50,000,000             | 45,000,000                   | —5,000,000                             |
| Military assistance.....                      | 1,700,000,000          | 1,300,000,000                | —400,000,000                           |
| Total.....                                    | 4,253,500,000          | 3,357,500,000                | —896,000,000                           |

## FUNDS AVAILABLE

In addition to the \$3,357,500,000 recommended in the bill for fiscal 1962, the Committee has reappropriated \$50,000,000 of prior year unobligated funds for the Military Assistance program.

In addition, the Executive Branch estimates that it will obligate or commit the following sums of foreign currency during fiscal year 1962:

| Type of currency   | Estimated obligations or commitments, fiscal year 1962 |
|--------------------|--------------------------------------------------------|
| Country-owned..... | \$759,900,000                                          |
| U.S.-owned.....    | 1,157,500,000                                          |
| Total.....         | 1,917,400,000                                          |

In summary, the Foreign Assistance program will have the following sums of money available for commitment, obligation, or expenditure during the current fiscal year:

|                                                                              |                 |
|------------------------------------------------------------------------------|-----------------|
| Recommended in the bill.....                                                 | \$3,357,500,000 |
| Reappropriation of unobligated funds to the Military Assistance program..... | 50,000,000      |
| Foreign currencies.....                                                      | 1,917,400,000   |
| Obligated but unexpended funds, June 30, 1961.....                           | 5,284,134,000   |
| Total.....                                                                   | 10,609,034,000  |

## DEVELOPMENT LOANS

Section 202 of the Foreign Assistance Act of 1961 authorizes the appropriation of \$1,200,000,000 for development loans in fiscal year 1962. In addition, it authorizes the appropriation of \$1,500,000,000 during each of the fiscal years 1963, 1964, 1965, and 1966 for an aggregate of \$7,200,000,000 over the five-year period. Section 201 of the Act authorizes the President to make loans to promote the economic development of the less-developed countries and areas of the world.

During the hearings on this item the Administration indicated that it had made conditional commitments to India, Brazil, and Pakistan. In addition, the Administration submitted to the Committee classified data containing a range of potential development loans to ten other countries. For example, it is proposed that country A receive development loans in the area of \$60,000,000 to \$80,000,000.

Based on the very optimistic estimate that each of the thirteen countries proposed in the Administration's tentative fiscal 1962 development loan plan will meet the legislative criteria contained in the authorization act a *maximum* of \$1,210,000,000 *could* be required for development loans in fiscal 1962. The Committee is of the opinion that the Administration was very optimistic in assuming that each of these thirteen countries will qualify for development loans in fiscal year 1962. It has, therefore, recommended for this program for 1962 an appropriation of \$1,025,000,000. This is \$175,000,000 below the amount authorized and contained in the estimates.

## DEVELOPMENT GRANTS

The development grants category basically constitutes a renewal and extension of the Point IV concept. Such grants are to be made to the less developed nations to:

- a. Help improve educational, technical, and professional skills of their people;
- b. Assist in programs of social development and reform, such as improvement of health standards, provision of adequate housing, land reform, tax reform, etc.;
- c. Provide advice and training in economic development and programing;
- d. Finance surveys of resource potentials and specific development projects;
- e. Assist in the development of economic and social institutions and facilities, such as community development and agricultural extension programs; and,
- f. In a limited number of cases, assist the most underdeveloped countries to develop basic economic facilities, such as transport and communications systems, and irrigation facilities.

The budget estimate and the authorization act provide \$380,000,000, plus the carry-over of unobligated funds of prior years which is presently estimated to be \$15,500,000. The Administration's program contemplated the use of \$259,000,000 to finance the continuing costs of existing projects which have been initiated or committed in fiscal year 1961 or prior years. This is what the committee has approved.

The continuing costs estimate for existing projects or programs is based upon commitments entered into in fiscal year 1961 or prior years for projects which were financed in those years from appro-



priations for bi-lateral technical cooperation, defense support, special assistance, atoms for peace, and ocean freight. A breakdown of these continuing costs by area and country follows:

[In thousands of dollars]

|                            |           |                           |          |
|----------------------------|-----------|---------------------------|----------|
| Far East-----              | \$60, 000 | Africa—Continued          |          |
| Burma-----                 | 1, 500    | Senegal-----              | \$50     |
| Cambodia-----              | 6, 100    | Sierra Leone-----         | 900      |
| China-----                 | 3, 520    | Somali Republic-----      | 4, 400   |
| Indonesia-----             | 17, 280   | Sudan-----                | 8, 100   |
| Korea-----                 | 6, 500    | Togo-----                 | 500      |
| Philippines-----           | 3, 200    | Tunisia-----              | 5, 500   |
| Thailand-----              | 4, 800    | Guinea-----               | 300      |
| Vietnam-----               | 16, 400   |                           |          |
| Other-----                 | 700       | Europe-----               | 3, 840   |
|                            |           | Yugoslavia-----           | 3, 840   |
| Near East and South Asia-- | 73, 310   | Latin America-----        | 17, 300  |
| Cyprus-----                | 350       | Argentina-----            | 460      |
| Greece-----                | 350       | Bolivia-----              | 860      |
| Iran-----                  | 3, 810    | Brazil-----               | 2, 850   |
| Iraq-----                  | 1, 090    | Chile-----                | 1, 220   |
| Israel-----                | 470       | Colombia-----             | 310      |
| Jordan-----                | 7, 270    | Costa Rica-----           | 200      |
| Lebanon-----               | 500       | Ecuador-----              | 630      |
| Turkey-----                | 4, 800    | El Salvador-----          | 250      |
| U.A.R-----                 | 2, 280    | Guatemala-----            | 320      |
| Afghanistan--              | 9, 800    | Haiti-----                | 290      |
| India-----                 | 17, 060   | Honduras-----             | 680      |
| Pakistan-----              | 7, 500    | Mexico-----               | 560      |
| Nepal-----                 | 12, 630   | Nicaragua-----            | 160      |
| Ceylon-----                | 1, 710    | Panama-----               | 350      |
| Regional Projects-----     | 3, 690    | Paraguay-----             | 460      |
|                            |           | Peru-----                 | 390      |
| Africa-----                | 71, 350   | Uruguay-----              | 10       |
| Regional projects-----     | 4, 500    | Venezuela-----            | 70       |
| Congo (Leopoldville)---    | 1, 500    | British Guiana-----       | 150      |
| Dahomey-----               | 125       | British Honduras-----     | 50       |
| Ivory Coast-----           | 350       | Surinam-----              | 100      |
| Niger-----                 | 100       | West Indies and East      |          |
| Upper Volta-----           | 125       | Caribbean-----            | 3, 100   |
| Ethiopia-----              | 9, 210    | Regional-----             | 3, 830   |
| Ghana-----                 | 2, 190    |                           |          |
| Liberia-----               | 10, 650   | Nonregional-----          | 33, 200  |
| Libya-----                 | 2, 500    | American schools abroad-- | 4, 000   |
| Morocco-----               | 1, 340    | Atoms for Peace-----      | 2, 000   |
| Nigeria-----               | 14, 200   | Interregional expenses--- | 24, 400  |
| Kenya-----                 | 1, 380    | Ocean freight-----        | 2, 800   |
| Tanganyika-----            | 1, 810    |                           |          |
| Uganda-----                | 1, 260    | Grand total-----          | 259, 000 |
| Federation of Rhodesia     |           |                           |          |
| and Nyasaland-----         | 360       |                           |          |

Testimony developed during the hearings indicated that the Administration has not programmed the new development grant money of approximately \$130,000,000 by purpose or project. In response to a question as to whether the Administration was requesting the Congress to appropriate this amount of money prior to the agency's development of specific programs or projects under this category of aid, the response by an Administration witness was: "That is true, Mr. Chairman."

## SURVEY OF INVESTMENT OPPORTUNITIES

The budget estimate of \$5,000,000 for this new program is the same amount as authorized by section 232 of the legislative act. The Act provides that these funds may be used to finance up to 50% of the cost of feasibility surveys or studies by qualified industrial or other private organizations of investment opportunities in countries receiving United States economic or technical assistance.

The Committee is of the opinion that this type of program is not necessary to encourage such surveys and has, therefore, denied the request.

## DEVELOPMENT RESEARCH

House Document No. 208 requested the appropriation of \$20,000,000 to finance the objectives of section 241 of the Foreign Assistance Act of 1961. Since the Act did not authorize an appropriation for this purpose, the Committee has not included the estimate of \$20,000,000.

## INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Section 302 of the Foreign Assistance Act of 1961 authorizes the appropriation of \$153,500,000 for voluntary contributions to international organizations and programs administered by such organizations.

This new appropriation consolidates several appropriation items that were carried separately in the 1961 Appropriation Act, such as the Organization of American States Technical Assistance appropriation, the U.N. Children's Fund appropriation, the U.N. Relief and Works Agency appropriation, the NATO Science Program appropriation and the U.N. Technical Assistance appropriation. In addition it also includes funds for a portion of the programs previously financed by Special Assistance and the Atoms for Peace appropriations.

The Administration's program for fiscal year 1962 proposes the allocation of the budget estimate of \$153,500,000 plus a carry over of unobligated balances estimated at \$4,850,000, to the following organizations or programs:

|                                                            |                |
|------------------------------------------------------------|----------------|
| U. N. Technical Assistance and Special Fund.....           | \$40, 000, 000 |
| U. N. Congo—Military Operations.....                       | 27, 000, 000   |
| U. N. Congo—Economic Assistance.....                       | 35, 000, 000   |
| United Nations Relief and Work Agency.....                 | 18, 200, 000   |
| U. N. Emergency Force.....                                 | 1, 800, 000    |
| U. N. Children's Fund.....                                 | 12, 000, 000   |
| World Health Organization Malaria Eradication.....         | 2, 500, 000    |
| World Health Organization World-Wide Water Supply.....     | 400, 000       |
| World Health Organization Medical Research.....            | 500, 000       |
| International Atomic Energy Agency.....                    | 750, 000       |
| Organization of American States Technical Cooperation..... | 1, 500, 000    |
| NATO Science Program.....                                  | 1, 800, 000    |
| Indus Waters.....                                          | 16, 900, 000   |

The Committee has included in the bill the \$153,500,000 requested but has denied the reappropriation of unobligated balances.

Last year, section 404 of the Mutual Security Act of 1960 authorized United States participation in the Indus Waters Development plan. The total financial contribution of the United States to the project in dollar grants and loans, and foreign currency is estimated to be \$515,000,000.

The United States contributed \$6,807,000 in grant aid to the project during fiscal 1961 and also made a DLF loan of \$70,000,000 to Pakistan for the project. The Committee points out that the United States has agreed to participate in the project prior to (1) the establishment of firm cost estimates for the different phases of the project, and (2) an arrangement for the sharing of costs in the event actual construction costs exceed the estimate of \$1,064,000,000.

Such haste to commit the United States taxpayer to the expenditure of over half a billion dollars without recognition of the potential cost illustrates the kind of thing that can happen when commitments are made prior to full review and approval.

The Committee endorses the language of Section 620 of the Foreign Assistance Act of 1961 which proposes to restrict United States funds to the Government of Cuba or other Communist-dominated countries.

The Secretary of State and the United States representatives to international organizations are urged to use every reasonable means to prevent the continuation or initiation of multilateral projects or programs in Cuba or other Communist-dominated countries which are funded, in part, by contributions from the United States.

#### SUPPORTING ASSISTANCE

Supporting assistance is economic aid to nations whose independence and stability depends on such help and are regarded as important to our own security. Last year this item was financed under the Defense Support and Special Assistance appropriations. The program is designed to serve the following objectives:

(a) To enable countries to continue to make specific contributions to the common defense by maintaining military forces that can defend against external aggression, can contribute to the defense of a region, or can maintain adequate internal security.

(b) To maintain access to U.S. bases and to assist the local governments in dealing with the economic or other problems arising out of the existence of such bases.

(c) To maintain economic stability in countries where pressing economic needs surpass their productive capabilities.

(d) To provide an alternative to Sino-Soviet Bloc aid where such aid threatens a country's independence.

The Administration's program for fiscal year 1962 contemplates the granting of such economic assistance to the following twenty-two countries and two regional organizations:

|                                 |                             |
|---------------------------------|-----------------------------|
| Burma                           | Central Treaty Organization |
| Cambodia                        | Afghanistan                 |
| Korea                           | Pakistan                    |
| Laos                            | Spain                       |
| Thailand                        | Cameroun                    |
| Viet Nam                        | Libya                       |
| Southeast Asia Treaty Organiza- | Morocco                     |
| tion.                           | Somali Republic             |
| Greece                          | Tunisia                     |
| Iran                            | Bolivia                     |
| Jordan                          | Haiti                       |
| Turkey                          | West Indies and Caribbean   |
| Yemen                           |                             |



House Document 208 requested an appropriation of \$581,000,000 in new funds and the reappropriation of unobligated balances estimated at \$29,100,000. However, more recent information indicates that the unobligated balances are about \$50,000,000. The authorization bill provides \$465,000,000 for this purpose. The committee recommends an appropriation of \$400,000,000, which is \$65,000,000 below the authorization and \$181,000,000 below the budget estimate.

#### CONTINGENCY FUND

Section 451 of the Foreign Assistance Act of 1961 authorizes the appropriation of \$300,000,000 for the contingency fund. This fund is provided to the President to meet requirements which are completely unforeseen or which are identified but without enough precision to warrant inclusion in one of the other aid categories.

House Document No. 208 requested an appropriation of \$500,000,000 for this purpose. The Committee recommends an appropriation of \$175,000,000. This is \$125,000,000 below the amount authorized and \$325,000,000 below the budget estimate.

The Committee is not averse to recommending a sizeable fund of this type to enable the President to meet unforeseen essential emergencies. However, the utilization of the fund during the past several years indicates that the fund is regarded by the Executive Branch as a device to nullify the action of the Congress, not only as to authorizations but also as to the appropriations.

Another concern of the Committee is that this fund has been used to initiate projects with a very small allocation of funds which in subsequent years will require many times the original allocation.

An example of the use of this fund for nonemergency expenditures is the obligation of \$446,000 for the purchase of 24 apartments in Brasilia, Brazil, for United States employees. Pages 962, 963 and 964 of the printed hearings contain a list of projects initiated during 1961 by a very loose interpretation by the Administration of the word "essential".

#### ADMINISTRATIVE EXPENSES

Section 637 of the Foreign Assistance Act of 1961 authorizes an appropriation of \$50,000,000 for administrative expenses for the agency in charge of economic assistance. House Document No. 208 requested an appropriation of \$51,000,000 plus the reappropriation of prior year unobligated funds which are presently estimated to be approximately \$1,112,000. The committee recommends an appropriation of \$45,000,000. This is \$5,000,000 below the authorization amount and \$6,000,000 below the budget estimate.

#### MILITARY ASSISTANCE

Military assistance may be furnished on such terms and conditions as the President may determine to any country subject to conditions of eligibility, or to international organizations, the support of which the President finds to be in the national interest.

Assistance may be provided in a variety of ways. Defense articles or services acquired from any source may be provided by loan, lease, sale, exchange, grant, or any other means. Contributions may be

made to multi-lateral programs designed to develop the defense infra-structure. Financial assistance essential to the purposes of the bill may be provided incident to U.S. participation in regional or collective defense organizations. Members of the Armed Forces and employees of the Department of Defense may be made available for this program, but only to serve in an advisory capacity or to perform other duties of a non-combatant nature.

Page 1209 of the hearings indicates the fifty-five countries for which a grant-aid program is proposed in fiscal year 1962.

House Document No. 208 requested the appropriation of \$1,885,000,000 for this program plus the reappropriation of unobligated/unreserved funds which are presently estimated to be \$65,100,000.

Section 504 of the Foreign Assistance Act of 1961 authorizes the appropriation of \$1,700,000,000 for military assistance. The Committee recommends an appropriation of \$1,300,000,000, plus the reappropriation of \$50,000,000 of the unobligated/unreserved funds available on June 30, 1961. In arriving at the recommended appropriation, the Committee took into consideration the availability of \$300,000,000 as authorized by Section 510, a new provision available to the Military Assistance Program, which authorizes the President, in the event he determines it to be vital to the security of the United States, to transfer defense articles from the stocks of the Department of Defense. The recommended appropriation is \$585,000,000 below the budget estimate and \$400,000,000 below the amount authorized in the legislative act.

## TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

### RYUKYU ISLANDS, ARMY

The Budget requested an appropriation of \$6,835,000 for the administration of the Ryukyu Islands. The Committee recommends an appropriation of \$6,089,000. This is the same amount as was appropriated for fiscal year 1961 operations, but a decrease of \$746,000 below the budget estimate. The Committee is of the opinion that the funds recommended will finance an orderly and logical program to improve the welfare and well-being of the inhabitants of the Ryukyu Islands and will continue to promote their economic and cultural advancement.

## TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

*Limitations on administrative and operating expenses.*—The Budget proposed an operating expense budget for this agency of \$1,178,068,000, including \$3,010,000 for administrative expenses. The Committee has approved the budget estimate of \$3,010,000 for administrative expenses, but has reduced the estimate for operating expenses to \$1,170,000,000, a reduction of \$5,058,000 in the estimate. Included in the overall ceiling is a limitation of \$600,000,000 for commitments for development project loans.

## TITLE IV—TREASURY DEPARTMENT

*Investment in Inter-American Development Bank.*—The budget estimate of \$110,000,000 for this purpose has been approved by the Committee.

Public Law 86-147, approved August 7, 1959, provided for U.S. membership in the Bank and authorized an appropriation of \$450,000,000 to cover the U.S. subscription to the Bank. To date the United States has contributed \$280,000,000 to this Bank which was created to accelerate the economic development of the American Republics. This appropriation will bring total contributions to \$390,000,000.

*Subscription to the International Development Association.*—The budget estimate of \$61,656,000 for this purpose is recommended by the Committee.

Public Law 86-565, approved June 30, 1960, provided for U.S. membership in the Association, which is an internal organization affiliated with the International Bank for Reconstruction and Development, and authorized an appropriation of \$320,290,000 as the U.S. subscription. To date, the United States has contributed \$73,666,700 to the Association, which has as its purpose the making of loans to its less developed members on terms which will bear less heavily on the balance of payments of the borrowing country than do the terms of conventional loans. This appropriation will bring U.S. contributions to a total of \$135,322,700.

## TITLE V—PEACE CORPS

*Salaries and expenses.*—House Document No. 226 requested an appropriation of \$40,000,000 to finance the activities of the Peace Corps during fiscal year 1962. Testimony indicated that this amount was far more than would be needed to carry the program during the full fiscal year. The accompanying bill recommends an appropriation of \$20,000,000 and contains a proviso making this money available only upon enactment of Senate Bill 2000 or H.R. 7500 or similar legislation.

## LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitation not heretofore carried in connection with any appropriation bill is recommended:

On page 8, in connection with the Export-Import Bank:

*Limitation on Operating Expenses*

*Not to exceed \$1,170,000,000 (of which not to exceed \$600,000,000 shall be for development loans) shall be obligated during the current fiscal year for other than administrative expenses.*



COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1961, AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1962

TITLE I—FOREIGN ASSISTANCE

| Item                                          | Appropriations, 1961 | Budget estimates, 1962 | Recommended in bill<br>for 1962 | Bill compared with— |                  |
|-----------------------------------------------|----------------------|------------------------|---------------------------------|---------------------|------------------|
|                                               |                      |                        |                                 | 1961 appropriations | 1962 estimates   |
| <b>FUNDS APPROPRIATED TO THE PRESIDENT</b>    |                      |                        |                                 |                     |                  |
| <b>ECONOMIC ASSISTANCE</b>                    |                      |                        |                                 |                     |                  |
| Development loans-----                        | \$600, 000, 000      | \$1, 200, 000, 000     | \$1, 025, 000, 000              | +\$425, 000, 000    | —\$175, 000, 000 |
| Development grants-----                       | -----                | 380, 000, 000          | 259, 000, 000                   | + 259, 000, 000     | —121, 000, 000   |
| Surveys of investment opportunities-----      | -----                | 5, 000, 000            | -----                           | -----               | —5, 000, 000     |
| Development research-----                     | -----                | 20, 000, 000           | -----                           | -----               | —20, 000, 000    |
| International organizations and programs----- | -----                | 153, 500, 000          | 153, 500, 000                   | +153, 500, 000      | -----            |
| Supporting assistance-----                    | -----                | 581, 000, 000          | 400, 000, 000                   | +400, 000, 000      | —181, 000, 000   |
| Contingency fund-----                         | 250, 000, 000        | 500, 000, 000          | 175, 000, 000                   | —75, 000, 000       | —325, 000, 000   |
| Administrative expenses-----                  | 38, 000, 000         | 51, 000, 000           | 45, 000, 000                    | +7, 000, 000        | —6, 000, 000     |
| Defense support-----                          | 675, 000, 000        | -----                  | -----                           | —675, 000, 000      | -----            |
| Technical cooperation, general-----           | 150, 000, 000        | -----                  | -----                           | —150, 000, 000      | -----            |
| U.N. technical assistance program-----        | 33, 000, 000         | -----                  | -----                           | —33, 000, 000       | -----            |
| OAS technical cooperation programs-----       | 1, 300, 000          | -----                  | -----                           | —1, 300, 000        | -----            |





**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1961, AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1962—Continued**

**TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS**

| Item                 | Appropriations, 1961 | Budget estimates, 1962 | Recommended in bill<br>for 1962 | Bill compared with— |                |
|----------------------|----------------------|------------------------|---------------------------------|---------------------|----------------|
|                      |                      |                        |                                 | 1961 appropriations | 1962 estimates |
| RYUKYU ISLANDS, ARMY |                      |                        |                                 |                     |                |
| Administration-----  | \$6, 089, 000        | \$6, 835, 000          | \$6, 089, 000                   | -----               | —\$746, 000    |

**TITLE III—EXPORT-IMPORT BANK OF WASHINGTON**

|                                            |                  |                            |                      |                  |                  |
|--------------------------------------------|------------------|----------------------------|----------------------|------------------|------------------|
| Limitation on operating expenses-----      | ( <sup>5</sup> ) | (\$1, 175, 058, 000)       | (\$1, 170, 000, 000) | ( <sup>5</sup> ) | (—\$5, 058, 000) |
| Limitation on administrative expenses----- | (\$2, 675, 000)  | <sup>6</sup> (3, 010, 000) | (3, 010, 000)        | (+\$335, 000)    | -----            |

**TITLE IV—TREASURY DEPARTMENT**

|                                                                |                |                 |                 |                  |       |
|----------------------------------------------------------------|----------------|-----------------|-----------------|------------------|-------|
| Investment in Inter-American Development Bank-----             | -----          | \$110, 000, 000 | \$110, 000, 000 | +\$110, 000, 000 | ----- |
| Subscription to the International Development Association----- | \$73, 666, 700 | 61, 656, 000    | 61, 656, 000    | —12, 010, 700    | ----- |
| Total, title IV—Treasury Department-----                       | 73, 666, 700   | 171, 656, 000   | 171, 656, 000   | +97, 989, 300    | ----- |

<sup>5</sup> No limitation imposed by Congress.

<sup>6</sup> Includes \$260,000 in House Doc. 208.

# TITLE V—PEACE CORPS

|                                                                  |                    |                  |                  |                 |                   |
|------------------------------------------------------------------|--------------------|------------------|------------------|-----------------|-------------------|
| Salaries and expenses-----                                       | -----              | \$40, 000, 000   | \$20, 000, 000   | +\$20, 000, 000 | -\$20, 000, 000   |
| Total, titles I, II, III, IV, and V-----                         | \$3, 911, 105, 700 | 4, 993, 991, 000 | 3, 555, 245, 000 | -355, 860, 700  | -1, 438, 746, 000 |
| INTER-AMERICAN COOPERATION <sup>7</sup>                          |                    |                  |                  |                 |                   |
| Inter-American social and economic co-<br>operation program----- | 500, 000, 000      |                  |                  | -500, 000, 000  |                   |
| Chilean reconstruction and rehabilitation<br>program-----        | 100, 000, 000      |                  |                  | -100, 000, 000  |                   |
| Total, Inter-American cooperation----                            | 600, 000, 000      |                  |                  | -600, 000, 000  |                   |
| Grand total-----                                                 | 4, 511, 105, 700   | 4, 993, 991, 000 | 3, 555, 245, 000 | -955, 860, 700  | -1, 438, 746, 000 |

7 Funds provided in Public Law 87-41, approved May 27, 1961.

○



Union Calendar No. 476

87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 9033

[Report No. 1107]

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 1, 1961

Mr. PASSMAN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

## A BILL

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for the fiscal
- 5 year ending June 30, 1962, namely:



## TITLE I—FOREIGN ASSISTANCE

## FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, to remain available until June 30, 1962, unless otherwise specified herein, as follows:

## ECONOMIC ASSISTANCE

Development loans: For expenses authorized by section 202 (a) , \$1,025,000,000, to remain available until expended.

Development grants: For expenses authorized by section 212, including \$2,673,000 for ocean freight, \$1,139,000 for Atoms for Peace, and \$24,925,000 for the malaria eradication program, \$259,000,000.

International organizations and programs: For expenses authorized by section 302, \$153,500,000.

Supporting assistance: For expenses authorized by section 402, \$400,000,000.

Contingency fund: For expenses authorized by section 451 (a) , \$175,000,000.

Administrative expenses: For expenses authorized by section 637 (a) , including the purchase of not to exceed twenty-five passenger motor vehicles for use outside the United States, \$45,000,000.

## MILITARY ASSISTANCE

Military assistance: For expenses authorized by section 504 (a), including administrative expenses authorized by section 636 (g) (1), which shall not exceed \$24,000,000 for the current fiscal year, and purchase of passenger motor vehicles for replacement only for use outside the United States, \$1,300,000,000.

Unobligated balances (not to exceed \$50,000,000) as of June 30, 1961, of funds heretofore made available for Military Assistance under the authority of the Mutual Security Act of 1954, as amended, are, except as otherwise provided by law, hereby continued available for the fiscal year 1962 for the same general purposes for which appropriated.

## GENERAL PROVISIONS

SEC. 101. Amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance" except the subparagraph of this title for "Administrative expenses", are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose.

1        SEC. 102. None of the funds herein appropriated shall  
2 be used to finance the construction of any new flood con-  
3 trol, reclamation, or other water or related land resource  
4 project or program which has not met the standards  
5 and criteria used in determining the feasibility of flood con-  
6 trol, reclamation and other water and related land resource  
7 programs and projects proposed for construction within the  
8 United States of America as per circular A-47 of the  
9 Bureau of the Budget, dated December 31, 1952.

10       SEC. 103. Obligations made from funds herein appro-  
11 priated for engineering and architectural fees and services  
12 to any individual or group of engineering and architectural  
13 firms on any one project in excess of \$25,000 shall be re-  
14 ported to the Committees on Appropriations of the Senate  
15 and House of Representatives at least twice annually.

16       SEC. 104. Except for the appropriations entitled "Con-  
17 tingency fund" and "Development loans", not more than  
18 20 per centum of any appropriation item made available  
19 by this title shall be obligated and/or reserved during the  
20 last month of availability.

21       SEC. 105. None of the funds herein appropriated nor  
22 any of the counterpart funds generated as a result of assist-  
23 ance hereunder or any prior Act shall be used to pay

1 pensions, annuities, retirement pay or adjusted service com-  
2 pensation for any persons heretofore or hereafter serving  
3 in the armed forces of any recipient country.

4 SEC. 106. None of the funds herein appropriated shall  
5 be used to finance any of the activities under the Investment  
6 Incentive Fund Program.

7 SEC. 107. The Congress hereby reiterates its opposition  
8 to the seating in the United Nations of the Communist China  
9 regime as the representative of China, and it is hereby  
10 declared to be the continuing sense of the Congress that the  
11 Communist regime in China has not demonstrated its willing-  
12 ness to fulfill the obligations contained in the Charter of  
13 the United Nations and should not be recognized to repre-  
14 sent China in the United Nations. In the event of the seat-  
15 ing of representatives of the Chinese Communist regime in  
16 the Security Council or General Assembly of the United  
17 Nations, the President is requested to inform the Congress  
18 insofar as is compatible with the requirements of national  
19 security, of the implications of this action upon the foreign  
20 policy of the United States and our foreign relationships,  
21 including that created by membership in the United Nations,  
22 together with any recommendations which he may have with  
23 respect to the matter.



SEC. 108. None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest.

8 TITLE II—DEPARTMENT OF THE ARMY—CIVIL  
9 FUNCTIONS

10 RYUKYU ISLANDS, ARMY

11 ADMINISTRATION

12 For expenses, not otherwise provided for, necessary to  
13 meet the responsibilities and obligations of the United States  
14 in connection with the government of the Ryukyu Islands,  
15 as authorized by the Act of July 12, 1960 (74 Stat. 461) ;  
16 services as authorized by section 15 of the Act of August 2,  
17 1946 (5 U.S.C. 55a), of individuals not to exceed ten in  
18 number; not to exceed \$3,000 for contingencies for the  
19 High Commissioner, to be expended in his discretion; hire  
20 of passenger motor vehicles and aircraft; purchase of four  
21 passenger motor vehicles for replacement only; and con-  
22 struction, repair, and maintenance of buildings, utilities, facili-  
23 ties, and appurtenances; \$6,089,000, of which not to exceed  
24 \$1,722,000 shall be available for administrative and in-



1 formation expenses: *Provided*, That expenditures from this  
2 appropriation may be made outside continental United  
3 States when necessary to carry out its purposes, without  
4 regard to sections 355 and 3648, Revised Statutes, as  
5 amended, section 4774 (d) of title 10, United States Code,  
6 civil service or classification laws, or provisions of law pro-  
7 hibiting payment of any person not a citizen of the United  
8 States: *Provided further*, That funds appropriated hereunder  
9 may be used, insofar as practicable, and under such rules and  
10 regulations as may be prescribed by the Secretary of the  
11 Army to pay ocean transportation charges from United  
12 States ports, including territorial ports, to ports in the  
13 Ryukyus for the movement of supplies donated to, or pur-  
14 chased by, United States voluntary nonprofit relief agencies  
15 registered with and recommended by the Advisory Com-  
16 mittee on Voluntary Foreign Aid or of relief packages con-  
17 signed to individuals residing in such areas: *Provided fur-*  
18 *ther*, That the President may transfer to any other depart-  
19 ment or agency any function or functions provided for under  
20 this appropriation, and there shall be transferred to any such  
21 department or agency without reimbursement and without  
22 regard to the appropriation from which procured, such prop-  
23 erty as the Director of the Bureau of the Budget shall deter-  
24 mine to relate primarily to any function or functions so  
25 transferred.

1           TITLE III—EXPORT-IMPORT BANK OF  
2                           WASHINGTON

3           The Export-Import Bank of Washington is hereby  
4 authorized to make such expenditures within the limits of  
5 funds and borrowing authority available to such corporation,  
6 and in accord with law, and to make such contracts and com-  
7 mitments without regard to fiscal year limitations as pro-  
8 vided by section 104 of the Government Corporation Control  
9 Act, as amended, as may be necessary in carrying out the  
10 programs set forth in the budget for the current fiscal year  
11 for such corporation, except as hereinafter provided:

12                   LIMITATION ON OPERATING EXPENSES

13           Not to exceed \$1,170,000,000 (of which not to exceed  
14 \$600,000,000 shall be for development loans) shall be  
15 obligated during the current fiscal year for other than  
16 administrative expenses.

17                   LIMITATION ON ADMINISTRATIVE EXPENSES

18           Not to exceed \$3,010,000 (to be computed on an  
19 accrual basis) shall be available during the current fiscal  
20 year for administrative expenses, including services as au-  
21 thorized by section 15 of the Act of August 2, 1946 (5  
22 U.S.C. 55a) at rates not to exceed \$75 per diem for individ-  
23 uals, and not to exceed \$9,000 for entertainment allowances  
24 for members of the Board of Directors; and, in addition, not

1 to exceed the equivalent of \$200,000 of the aggregate amount  
2 of foreign currencies made available to the Export-Import  
3 Bank for loans pursuant to the Agricultural Trade Devel-  
4 opment and Assistance Act of 1954, as amended, shall be  
5 available during the current fiscal year for expenses incurred  
6 by the Export-Import Bank incident to such loans: *Pro-*  
7 *vided*, That (1) fees or dues to international organizations  
8 of credit institutions engaged in financing foreign trade, (2)  
9 necessary expenses (including special services performed on  
10 a contract or fee basis, but not including other personal  
11 services) in connection with the acquisition, operation, main-  
12 tenance, improvement, or disposition of any real or personal  
13 property belonging to the Bank or in which it has an inter-  
14 est, including expenses of collections of pledged collateral,  
15 or the investigation or appraisal of any property in respect  
16 to which an application for a loan has been made, and (3)  
17 expenses (other than internal expenses of the Bank) incurred  
18 in connection with the issuance and servicing of guarantees,  
19 insurance, and reinsurance shall be considered as nonad-  
20 ministrative expenses for the purposes hereof.

#### 21 TITLE IV—TREASURY DEPARTMENT

##### 22 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

23 For payment of subscriptions to the Inter-American De-  
24 velopment Bank, to remain available until expended, \$110,-  
25 000,000 of which \$60,000,000 is for the second installment



1 on paid-in capital stock and \$50,000,000 is for payment of  
2 the second installment of the subscription of the United States  
3 to the fund for special operations.

4 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT  
5 ASSOCIATION

6 For payment of the second installment of the subscrip-  
7 tion of the United States to the International Development  
8 Association, \$61,656,000, to remain available until  
9 expended.

10 TITLE V—PEACE CORPS

11 FUNDS APPROPRIATED TO THE PRESIDENT

12 PEACE CORPS

13 For expenses necessary to enable the President to carry  
14 out the provisions of the Peace Corps Act, including pur-  
15 chase of not to exceed sixteen passenger motor vehicles for  
16 use outside the United States, \$20,000,000: *Provided*,  
17 That this paragraph shall be effective only upon enactment  
18 into law of S. 2000 or H.R. 7500, Eighty-seventh Congress,  
19 or similar legislation to provide for a Peace Corps.

20 TITLE VI—GENERAL PROVISIONS

21 SEC. 601. No part of any appropriation contained in this  
22 Act shall be used for publicity or propaganda purposes  
23 within the United States not heretofore authorized by the  
24 Congress.

25 SEC. 602. This Act may be cited as the “Foreign  
26 Assistance and Related Agencies Appropriation Act, 1962”.





87TH CONGRESS  
1ST SESSION

H. R. 9033

[Report No. 1107]

A BILL

Making appropriations for Foreign Assistance  
and related agencies for the fiscal year end-  
ing June 30, 1962, and for other purposes.

By Mr. PASSMAN

SEPTEMBER 1, 1961

Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
(For information only;  
should not be quoted  
or cited).

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For actions of September 5, 1961  
87th-1st, No. 154

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HIGHLIGHTS: Senate debated wilderness bill. House passed foreign aid appropriation bill. House committees reported bills to exempt durum wheat in certain Calif. counties from allotments, to clarify and simplify operations of Farm Credit agencies, and to establish Peace Corps. Rep. Albert defended feed grains program.

## SENATE

1. WILDERNESS AREAS. Began debate on S. 174, the wilderness areas preservation bill. pp. 16904-25, 16932-70, 16972-9

### Agreed to the following amendments:

By Sen. Moss, to prohibit the President from adding lands to presently established national wildlife refuges and game ranges which are to be incorporated in the wilderness system. pp. 16932-3

By Sen. Moss, to require annual reports by the Secretaries of Agriculture and Interior on the status of the wilderness system. p. 16933

By Sen. Case, S. Dak., to provide that the President may authorize prospecting and mining of minerals other than oil and gas in national forest and public domain areas included in the wilderness system. p. 16958

By Sen. Allott, to permit within wilderness areas the gathering of information about mineral or water resources and authorize the construction of underground tunnels under portions of wilderness areas where such facilities in no way disturb the surface of the areas. p. 16964



By Sen. Allott, to provide that the Secretaries of Agriculture and Interior shall include in their recommendations to the President regarding the retention or inclusion of areas in the wilderness system the views of the Governor of the State in which the area is located. p. 16964

By Sen. Church, to provide that minor adjustments in the boundaries of wilderness areas may be made without obtaining approval of Congress. pp. 16964-5

By Sen. Church, to authorize continuation of the use of aircraft or motor-boats in all wilderness areas (rather than only national forest areas) where their use has already become well established. p. 16965

By a vote of 32 to 41, rejected a motion by Sen. Ellender to refer the bill to the Agriculture and Forestry Committee for consideration, with a provision that it be reported back to the Senate on or before Feb. 5, 1962. pp. 16909-25

Sen. Bennett submitted, but later withdrew, a proposed amendment which would have given the States access to State lands within wilderness areas established under the bill, or indemnify the States for loss of such access. pp. 16965-8

Pending at adjournment was an amendment by Sen. Allott to provide that recommendations of the President for including areas in the wilderness system shall become effective the day following the adjournment sine die of Congress, but only if prior to adjournment Congress approves a concurrent resolution declaring itself in favor of the recommendation (rather than if neither the Senate nor House approves a resolution declaring itself opposed to the recommendation). p. 16970

2. SALINE WATER. Conferees were appointed by both Houses on H. R. 7916, to expand and extend the saline water conversion program. pp. 16932, 16991

3. ATOMIC ENERGY. Agreed to the conference report on H. R. 7576, the atomic energy authorization bill which includes authorizations for reactor development, biology and medicine, and the cooperative power reactor demonstration program. pp. 16925-8

4. WATERSHEDS. The "Daily Digest" states that a subcommittee of the Agriculture and Forestry Committee "approved for full committee consideration several pending watershed projects." p. D806

5. MINERALS. The Interior and Insular Affairs Committee reported with amendments S. 1747, to stabilize the mining of lead and zinc through Federal payments to domestic miners of lead and zinc ores and concentrates (S. Rept. 867). p. 16895

6. PUBLIC WORKS. Sen. Mansfield inserted a statement of the Public Works Committee reviewing the activities of the Committee during the past year. pp. 16896-9

#### HOUSE

7. APPROPRIATIONS. By a vote of 270 to 123, passed with amendments H. R. 9033, the foreign aid appropriation bill (pp. 16995-7044). As reported, this bill included \$1,025 million for development loans, \$259 million for development grants and assistance, \$110 million for the Inter-American Development Bank, and \$61,656,000 for the International Development Association.

Rejected the following amendments:

By Rep. Conte, 110 to 132, to increase the appropriation for development loans from \$1,025 million to \$1,200 million. pp. 17019-24

(more)



By Rep. Yates, 131 to 144, to increase the funds for development grants from \$259 million to \$350 million. pp. 17027-30

By Rep. Jones, Mo., to provide that U. S. contributions to any international organization shall not exceed 50 percent of the total amount of contributions to such organization or program. pp. 17030-5

On a point of order by Rep. Hiestand, Title V appropriating \$20,000,000 for the Peace Corps was struck from the bill. p. 17040

8. WHEAT. The Agriculture Committee reported with amendments S. 1107, to exempt the production of durum wheat in portions of Modoc and Siskiyou Counties, Calif. (Tulelake area), from acreage allotments and marketing quota restrictions (H. Rept. 1111). p. 17064
9. FORESTRY. The Agriculture Committee reported without amendment S. 302, to authorize the appropriation of an additional \$2 million for the purchase of land within the boundaries of the Superior National Forest, Minn. (H. Rept. 1109). p. 17064
10. FEED GRAINS. Rep. Albert defended the feed grains program against recent criticism by Rep. Arends, saying, "it is apparent that had there been no program, feed grain prices today would be much lower than they are." pp. 17047-8
11. FARM CREDIT. The Agriculture Committee reported without amendment S. 1927, to make a number of amendments to simplify and clarify the operations of institutions supervised by FCA (H. Rept. 1112), and with amendment S. 1040, to abolish the Federal Farm Mortgage Corporation (H. Rept. 1110). p. 17064
12. PEACE CORPS. The Foreign Affairs Committee reported with amendments H. R. 7500, to provide for a Peace Corps to help the peoples of underdeveloped countries and areas in meeting their needs for skilled manpower (H. Rept. 1115). p. 17064
13. WATER COMPACTS. The Interior and Insular Affairs Committee reported with amendment H. R. 7855, granting the consent of Congress to an amendment to a compact ratified by the States of Louisiana and Texas relating to the waters of the Sabine River (H. Rept. 1113). p. 17064
14. PERSONNEL. Received from the Budget Bureau a proposed bill "to amend section 15 of the Administrative Expenses Act of 1946; to provide for regulation by the President of the employment of experts or consultants or organizations thereof;" to Government Operations Committee. p. 17064
15. WATERSHEDS. The "Daily Digest" states that the Subcommittee on Conservation and Credit of the Agriculture Committee approved the following watershed projects for full committee action: East Fork of Pond River, Ky.; Souhegan River, Mass. and N. H.; Ahoskie Creek, N. C.; Davids Creek, Iowa; Davis-Battle Creek, Iowa; Ryan Henschel, Iowa; Cane Creek, Okla.; Dunlap Creek, Pa.; Little Saltilla, Ga.; Tallahalla Creek, Miss.; Sarasota west coast, Florida; and Kickapoo Creek, Wis. pp. D807-8
16. FOREIGN RELATIONS. Received from the Secretary of State a report of gifts and bequests received and accepted by the U. S. National Commission for the United Nations Educational, Scientific, and Cultural Organization. p. 17064



ITEMS IN APPENDIX

17. FARMER-RETAILER. Extension of remarks of Sen. Keating inserting an article outlining an example of cooperation between the men who grow our food and those who sell it. p. A6951
18. TRANSPORTATION. Extension of remarks of Sen. Hartke stating that "our Nation's transportation system is in vital need of a major revamping," and inserting an article, "Commerce Secretary Hodges Ready To Tackle Study of Nation's Transport Problems." pp. A6954-5
19. PERSONNEL; FAS. Extension of remarks of Rep. Horan inserting an article paying tribute to "Doc" Motz and stating that "Perhaps more than any other, Fred Motz was responsible for the rebirth and revitalization of our Foreign Agricultural Service in 1954." pp. A6957-8
20. FOREIGN AID. Speech in the House by Rep. Dooley urging that reductions in foreign aid appropriations be restored. pp. A6962-3  
Speech in the House by Rep. Friedel in support of the conference report on the foreign aid authorization bill. p. A6973
21. FISH FLOUR. Extension of remarks of Rep. Keith inserting an article, "High-Protein Fish Flour From New Bedford Plant Is New Food For The World's Poor." pp. A6964-5
22. ELECTRIFICATION. Extension of remarks of Rep. Michel inserting a copy of a resolution from the Upper Colorado River Commission endorsing the proposal of the utility companies for transmitting power from the Colorado River storage project. pp. A6984-5

BILLS INTRODUCED

23. FOREIGN TRADE. H. R. 9036, by Rep. Derwinski, to prohibit exports to Communist countries; to Interstate and Foreign Commerce Committee.
24. VETERANS' BENEFITS. H. R. 9038, by Rep. Flood, to amend title 38, United States Code, to provide vocational rehabilitation education and training and loan guarantee benefits for veterans of service after January 31, 1955; to Veterans' Affairs Committee.
25. CREDIT. H. R. 9040, by Rep. Ryan, to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit; to Banking and Currency Committee.
26. TRANSPORTATION. H. R. 9046, by Rep. Harris, to permit the application of the bulk commodity exemption when other commodities are concurrently transported in the same vessel; to Interstate and Foreign Commerce Committee.
27. INSECT CONTROL. H. R. 9047, by Rep. Berry, to amend the act of April 6, 1937, as amended, to provide for the effective control of grasshoppers and other insect pests on land idled under the conservation reserve program; to Agriculture Committee.
28. WOOL. H. R. 9049, by Rep. Fisher, to provide for the regulation by the Secretary of Agriculture of persons engaged in the business of core sampling and testing of wool; to Agriculture Committee.



for the purposes of sections 101(a) (27) (A) and 205 of the Immigration and Nationality Act, Liu Lai Ching shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. Beecher Yan Yip Wong, citizens of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### DR. VICTOR WANG TANG AND ALICE SIU HAR NG

The Clerk called the bill (H.R. 2615) for the relief of Doctor Victor Wang Tang and his wife, Alice Siu Har Ng.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Doctor Victor Wang Tang and his wife, Alice Siu Har Ng, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### HOM HONG HING, ALSO KNOWN AS TOMMY JOE

The Clerk called the bill (H.R. 3008) for the relief of Hom Hong Hing, also known as Tommy Joe.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Hom Hong Hing, also known as Tommy Joe, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MRS. MARGARET RUDA DANIEL

The Clerk called the bill (H.R. 4499) for the relief of Mrs. Margaret Ruda Daniel.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Mrs. Margaret Ruda Daniel, who lost United States citizenship under the provisions of

section 401(a) of the Nationality Act of 1940, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of such Act. From and after naturalization under this Act, the said Mrs. Margaret Ruda Daniel shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

#### GREIF BROTHERS COOPERAGE CORP.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Calendar No. 339, the bill (S. 1012) to direct the Secretary of the Interior to adjudicate a claim of the Greif Bros. Cooperage Corp. to certain land in Marengo County, Ala.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is directed to adjudicate a claim of the Greif Brothers Cooperage Corporation, of Delaware, Ohio, under the Color of Title Act of December 22, 1928 (45 Stat. 1069), as amended by the Act of July 28, 1953 (67 Stat. 227; 43 U.S.C. 1068-1068b), to the lands described in section 2 of this Act. If the Secretary shall determine that the Greif Brothers Cooperage Corporation has otherwise satisfied the requirements of the Color of Title Act, he may issue a patent under this Act to those lands without regard to the acreage limitation imposed in that Act.

SEC. 2. The lands subject to this Act are the following-described tracts of land situated in Marengo County, Alabama.

(a) East half of southwest quarter; northwest quarter of northwest quarter, and north half of southwest quarter of northwest quarter, and north half of south half of southwest quarter of northwest quarter of section 11, township 12 north, range 2 east, Saint Stephens meridian; and

(b) Northwest quarter of northeast quarter of section 18, township 12 north, range 2 east, Saint Stephens meridian.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### REREFERENCE OF BILL ON GEORGE WASHINGTON UNIVERSITY HOSPITAL

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the bill (H.R. 8916) to authorize grants for planning and carrying out a project of construction for the expansion and improvement of the facilities of George Washington University Hospital in the District of Columbia, which was referred by the Speaker to the Committee on Interstate

and Foreign Commerce be rereferred to the Committee on the District of Columbia.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

#### CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 182]

|               |               |                |
|---------------|---------------|----------------|
| Adair         | Gialmo        | Milliken       |
| Alger         | Gray          | Minshall       |
| Ashley        | Griffin       | Monagan        |
| Baker         | Hall          | Moore          |
| Battin        | Harrison, Va. | Morse          |
| Bell          | Harsha        | Mosher         |
| Blitch        | Harvey, Ind.  | Moulder        |
| Bolling       | Harvey, Mich. | O'Brien, N.Y.  |
| Boykin        | Healey        | O'Hara, Mich.  |
| Brooks, La.   | Hébert        | O'Konski       |
| Broyhill      | Hoeven        | Pilcher        |
| Buckley       | Holland       | Powell         |
| Carey         | Karth         | Price          |
| Chenoweth     | Kee           | Rabaut         |
| Clancy        | Keith         | Rains          |
| Cook          | Kilburn       | Reece          |
| Corbett       | Kluczynski    | Rousselot      |
| Dague         | Landrum       | Santangelo     |
| Dawson        | Lesinski      | Siler          |
| Delaney       | Lipscomb      | Slack          |
| Dingell       | McIntire      | Staggers       |
| Dooley        | McSweeney     | Thompson, N.J. |
| Edmondson     | Mailliard     | Van Pelt       |
| Evins         | Martin, Mass. | Wharton        |
| Fogarty       | Michel        | Widnall        |
| Frelinghuysen | Miller, N.Y.  | Wright         |

The SPEAKER pro tempore. On this rollcall 359 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 256) to amend the District of Columbia Alcoholic Beverage Control Act, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 4, line 22, strike out "for" and insert "or".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1962

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the



State of the Union for the consideration of the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 4 hours, one-half of the time to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. Mr. Speaker, I make a point of order against consideration of the bill.

Mr. Speaker, I call the attention of the Chair to the Rules of the House of Representatives, 87th Congress, rule XXI, paragraph 5, which reads as follows:

No general appropriation bill or amendment thereto shall be received or considered if it contains a provision reappropriating unexpended balances of appropriations; except that this provision shall not apply to appropriations in continuation of appropriations for public works on which work has commenced.

Mr. Speaker, the language is explicit and there is only one exception; that is for public works bills. I submit that this is not a public works bill.

Mr. Speaker, I call attention of the Chair to the language contained in H.R. 9033 for which consideration is asked, on page 3 of that bill, lines 8 through 24.

Unobligated balances (not to exceed \$50,000,000) as of June 30, 1961, of funds heretofore made available for military assistance under the authority of the Mutual Security Act of 1954, as amended, are, except as otherwise provided by law, hereby continued available for the fiscal year 1962 for the same general purposes for which appropriated.

Further, Mr. Speaker, section 101 on the same page reads:

Amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, for the same general purpose as any of the subparagraphs under "Economic assistance" except the subparagraph of this title for "Administrative expenses," are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose.

Mr. Speaker, the language which I have read relates to funds not in the bill and clearly reappropriates unexpended balances of appropriations in violation of the rules of the House.

The SPEAKER pro tempore. Does the gentleman from Louisiana [Mr. PASSMAN] desire to be heard?

Mr. PASSMAN. Mr. Speaker, section 645 in Public Law 87-195 was signed yesterday, and subsequent to the adoption of the House rules. Therefore, it is in order to this bill to carry the provisions to which the gentleman is referring.

Mr. GROSS. Mr. Speaker, may I be heard further on the point of order?

The SPEAKER pro tempore. The Chair will hear the gentleman.

Mr. GROSS. Mr. Speaker, I was well aware of section 645 of the Foreign Assistance Act of 1961 when I made the point of order. The determination must be made whether a provision in a bill from the Committee on Foreign Affairs can be used to change the rules of the House; whether the committee can, I say, capriciously abrogate, and violate the rules of the House in this mad rush to dispense the taxpayers' money all over the world.

Mr. PASSMAN. Mr. Speaker, if I may make one further observation, there would be only a small part of the bill subject to a point of order if the bill is subject to a point of order.

Mr. GARY. Mr. Speaker, may I read section 645 of the Foreign Assistance Act which was signed on yesterday. It reads:

Unexpended balances of funds made available pursuant to the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this act.

That is exactly what has been done in this bill. Therefore, the gentleman's point of order should be overruled.

The SPEAKER pro tempore. The Chair is prepared to rule.

Section 645 of the Foreign Assistance Act of 1961, which was passed by both houses of Congress and signed by the President yesterday, and is now Public Law 87-195, specifically authorizes:

Unexpended balances of funds made available pursuant to the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this act.

That is the will of both branches of the Congress as expressed very recently. The language in the pending appropriation bill is identical and consistent with the authority contained in section 645.

The Chair overrules the point of order, for the reason that the recent act of the Congress makes the actions of the Committee on Appropriations pursuant to law.

Is there objection to the request of the gentleman from Louisiana that the time for general debate be limited to not to exceed 4 hours, the time to be equally divided between the gentleman from New York [Mr. TABER] and himself?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9033, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman

from Louisiana [Mr. PASSMAN] will be recognized for 2 hours and the gentleman from New York [Mr. TABER] will be recognized for 2 hours.

The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I yield myself such time as I may require.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I think I should state at the outset that I have promised the leadership that so far as we are concerned we would conclude this bill today. It will be a long, hard day, but that is the goal and one that we will do everything within our power to accomplish.

Mr. Chairman, this is the seventh year it has been my privilege and responsibility to report the mutual security appropriation bill for your consideration. Without a doubt, this is the most controversial, complicated, complex annual money bill you are called upon to consider. During the 7 years, during which it has been my responsibility to conduct investigations, to hold lengthy hearings, to travel hundreds of thousands of miles over the earth to inspect projects, and to endeavor to write a fair bill, we have been unable to satisfy either side, either the opponents or the proponents of this legislation. It is too high for many and too low for others. But, I hasten to assure you that each year after the committee has recommended funds, we have proven later that we recommended funds in excess of the actual needs. In urging you to support the recommendations of the subcommittee and the full committee today, we again assure you that we have recommended ample funds for every program envisioned by the administration.

I should indicate at this point that the cost of foreign aid since the end of World War II now exceeds \$106 billion and that it is now, past, present, and planned to go into 97 of the 110 nations in the world. Even after reducing the President's request in the past 6 years in the amount of \$4.5 billion, we still left a program overfunded for each and every year.

We have had to fortify ourselves in every respect in this bill. The committee is fully fortified with the supporting facts.

Mr. ANDREWS. Mr. Chairman, I make the point of order that the committee is not in order. The gentleman is making a very important and interesting statement. He has worked hard of this bill and is entitled to be heard.

The CHAIRMAN. The committee will be in order.

The gentleman from Louisiana may proceed.

Mr. PASSMAN. This is your bill, Mr. Chairman and Members, and I am sure you would like to have a factual report on it.

We have had to fortify ourselves with these facts in the face of the almost unbelievable opposition, to put it mildly, the pressure, the promises, the pleading, the propaganda, the persuasion and the political plum pulling. Can you im-



agine this, Mr. Chairman—and I have nothing but admiration for people with such enthusiasm—but while I was presenting the bill to the full Committee on Appropriations last week, from downtown they were making telephone calls to get the members of the full committee to vote against the subcommittee's recommendations. And while the committee was meeting, the Secretary of State was trying to distribute a letter of appeal to the full committee asking it to reverse, in full, every reduction brought in by the subcommittee. They insisted on every dollar authorized.

The bill before you is the committee's bill. This year, as in previous years, I shall to some extent subordinate my personal views and support the views of the committee. I do not find it too difficult to face up to my responsibility and present the bill to you as the committee has approved it. On that basis, I ask for your sympathetic understanding and your support. I ask you to realize that it would have been impossible for 1 man to have gotten this bill past a 12-man subcommittee and a 50-man full committee without being fully fortified with the facts.

Mr. Chairman, this is the largest foreign aid bill presented in 7 years, putting together all facets of foreign aid funds available for the fiscal year 1962, for expenditure and/or obligation. The total amounts to:

|                                    |                 |
|------------------------------------|-----------------|
| Bill before you.....               | \$3,555,245,000 |
| Unexpended prior years.....        | 5,334,134,000   |
| Foreign currencies applicable..... | 1,917,400,000   |

I might say at this time that I shall, Mr. Chairman and members of the committee, when we reach that part of the bill dealing with military assistance, request that the members of the committee support me in recommending that what the full committee recommended be increased by \$175 million. While many of you were enjoying a brief respite from your labors here in Washington, I remained on the job Saturday, Sunday, and yesterday in my office to consult with those who felt that maybe this item should be increased. I could not speak for the full Committee on appropriations. I discussed it with our distinguished Speaker pro tempore, the great majority leader, the gentleman from Massachusetts [Mr. McCORMACK]. I discussed it with the very top echelon people in Government, and I reached the decision that I would recommend an increase in the military even before most of you returned from your brief vacations. I would like to state that it was my own conclusion, after praying over the matter and thinking over the crises in the world that we are presently experiencing, and for fear that some may feel we were cutting the military item too much, I reached this conclusion, and I so indicated to our distinguished Speaker pro tempore. I am in the position of vacating my own thinking when higher authority seems to think there is justification for it.

That means that what we have carried over and are recommending in this

bill will be \$10,981,779,000, including the \$175 million I mentioned.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Florida.

Mr. SIKES. I consider the statement that the distinguished gentleman from Louisiana, the chairman of the subcommittee [Mr. PASSMAN] has just made to be but one of many indications we have had of his statemanship and his great contributions to the Congress and the Nation. It is his very earnest desire to see that the money that is spent for foreign aid is properly spent; and I am equally convinced that he has an earnest desire to provide enough money to do the essential job. After proper deliberation he is now volunteering a substantial increase in the area of expenditures which is most important to our foreign program at this time. The gentleman from Louisiana has thought well on this and he has the courage to act on his convictions. He is a big man in every sense of the word and I personally applaud him for his action today.

Mr. PASSMAN. I appreciate the fine remarks of my distinguished friend, the gentleman from Florida [Mr. SIKES]. Mr. Chairman, on other occasions I have not failed to rise to the occasion to bring out a bill that in my opinion should have been reduced. It was not pressure or propaganda or lack of faith that prompted me to bring out the Latin American bill earlier this year. This is my country, and I am willing to face up to my responsibility and do everything that is necessary, because I have never been embarrassed by being honest.

As I stated a moment ago, I discussed the military assistance item with the top echelon people, the minority members, and the very distinguished majority leader, and I finally decided I should come in and ask the members of the committee to reverse the decision of last Friday and vote unanimously to raise the military assistance item by \$175 million. My will will not necessarily prevail unless there is some justification for it.

Mr. Chairman, earlier this year we approved \$600 million for the Latin American program. There is, in the pending bill \$600 million for development loans under the Export-Import Bank, so that makes the grand total of \$12,181,771,000 in the foreign aid item. I have enumerated, almost \$3 billion ahead of this time two years ago. The administration says we must have it, that it is an absolute must, so I am facing up to my responsibility in bringing up a bill that is higher than any of the prior 6 years. Even so, as I said earlier, we have not satisfied all of the members with that increase.

Mr. Chairman, these figures are fantastic, but they are the facts.

I might state that our public debt exceeds by \$23,710,500,000 the public debt of all the other nations of the world combined. So great has been our generosity—and thank God we are a Christian and charitable nation—but so great have been our generosity, and so great have

been the demands, domestic and foreign, that at this time this year we have already withdrawn from the Treasury during the first 1 month and 23 days of the fiscal year 1962 \$3 billion more than was withdrawn during the same period last year.

We should also note at this point that our gold reserves are still to some extent declining. The record discloses that in 1950 we had gold reserves in the amount of \$23,212 million. They had been reduced on December 31, 1960, to \$17,766 million. During that same period the other free nations of the world increased their gold reserves from \$13,028 million to \$19,400 million. For the first time in many years the other free nations of the world have a gold reserve larger than our gold reserve.

We should also indicate that from 1900 to 1960 inclusive, the dollar deficit amounted to \$21,500 million. The average dollar credit held by foreign nations usually would go in a range from \$8 billion to \$9 billion. In 1932 it moved up to \$10,547 million. During this period not only did the recipient nations, the free nations, the foreign free nations export sufficient money to increase their gold reserve by \$6,372 million, but during the same period it moved up to where they had a dollar credit to their accounts here in America of \$21,430 million.

You know and I know that it requires about \$11 billion in gold to support our own monetary system. When you take \$11 billion from our present gold holding of \$17 billion, it leaves only \$6 billion. How in the world could we meet the dollar commitments we have of \$21 billion if called upon to do so? I fail to understand. There has been a complete breakdown.

Now, Mr. Chairman, so that all Members, whether for or against the bill, will recognize that this is a verifact bill and that when you put the facts together all should be satisfied, whether you are for or against, when we take into account the conditions that we are confronted with in this world. For 6 consecutive years, when we brought the foreign aid bill before you, you supported not only the recommendations of your subcommittee but of your full committee, the only exception being last year when you exceeded our recommendation for military assistance by increasing that item by \$200 million. If the House had supported the committee on that occasion it would have been on sound ground, because as we bring the bill to you today we find they had an excess in the military assistance item last year; that if they had had no more money they still would have had sufficient funds. Last year they transferred out of the military into the President's contingency and from the President's contingency into the grant aid, and after transferring out of military into grant aid they still found themselves with \$65,100,000 unobligated funds. And we found in our hearings that they will have \$100 million of deobligated or de-reserved funds. So the \$200 million you gave them last year was not needed and



you could have supported the committee.

They will have \$50 million in reappropriated unobligated funds and \$100 million of dereserved funds, and there are other amounts you can add to that.

Now, if I may very briefly, in 1956 at this stage of the game—pardon me for saying “game,” although sometimes I think it is a game we are playing—the House recommended \$2,701 million.

In 1957 the committee recommended \$3,665 million.

In 1958 the committee recommended \$3,191 million.

In 1959 the committee recommended \$3,878 million.

In 1960 the committee recommended \$3,186 million.

In 1961, last year, the committee recommended \$3,384 million.

We are back in this year with the largest foreign aid bill we have had in 7 years. Make no mistake about that.

I will discuss the individual items with you very briefly, and this is important. We are dealing with \$3½ billion and, if, please remember, before this legislation is signed into law, 25 percent of this fiscal year will have elapsed. We are already in September, and practically one-quarter of the year will be gone before we have this money bill signed into law.

#### DEVELOPMENT LOANS

But notwithstanding that fact, your committee is recommending \$1,235 million for development loans. Last year, the appropriation was only \$600 million. This is an increase of 70 percent over last year.

#### DEVELOPMENT GRANTS

For development grants the administration asked for \$380 million. This is the successor to the original bilateral U.S. technical aid fund. Last year the administration requested \$175 million. The committee provided \$150 million and prior to passage they indicated they had overstated their needs.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. The gentleman is discussing development loans?

Mr. PASSMAN. Development grants.

Mr. GARY. The gentleman was discussing development loans just before.

Mr. PASSMAN. I said we recommended \$1,025 million.

Mr. GARY. That does not include the \$600 million appropriated recently for South America; is that correct?

Mr. PASSMAN. That is true. In addition to that you have \$600 million this year in the Export-Import Bank for development loans.

Mr. Chairman, this thing is fantastic. You have \$1,200 million in just those two items.

Mr. CONTE. Mr. Chairman, will the gentleman yield for a correction?

Mr. PASSMAN. I yield.

Mr. CONTE. The gentleman from Virginia said \$600 million to Latin America. It was \$500 million. A hundred million dollars went for Chilean relief.

Mr. PASSMAN. Yes.

Mr. CONTE. The other \$500 million was for grants.

Mr. PASSMAN. I appreciate the gentleman's statement. It is still all Latin America. I know and the gentleman knows it was \$600 million for Latin America.

Mr. GARY. Is not Chile still in Latin America?

Mr. PASSMAN. Yes.

Mr. GARY. I thought it was.

Mr. PASSMAN. I insisted on bringing that \$600 million out intact for my President. You know that they had unused credits, but I insisted on bringing it out. I am not the worst enemy this bill ever had.

Now, Mr. Chairman, if I may get back to development grants.

Development grants, heretofore referred to as technical aid projects. Last year the administration requested \$175 million. We gave them \$150 million. They admitted they had asked for too much money.

This year they said they wanted \$380 million for technical aid projects, and we are taking out of special assistance technical aid projects. We are taking the technical aid projects out of the defense support funds. They testified that \$259 million was needed to continue existing projects. It is all set forth in the committee report.

In discussing this, we asked “What is the additional \$130 million for?” They said, “We have no programs, we have no projects, we cannot tell you what country that is going to.”

They also stated there would be capital grants in this item.

In other words, capital grants or grant aid was being mixed with the technical aid. We asked them if they had any projects, and they said “No.” We asked them if they had any programs, and they said “No.” We asked them “Do you know what countries are getting it?” and they said “No, but we have a reservoir that we are going to dip into, and we will come up with certain programs.”

We thought they should be more definite than that. We have recommended every dime for all existing phases of the technical aid program. But we denied \$121 million—make no mistake about it—of capital-grant aid that they had mixed up with technical aid.

Mr. Chairman, if we were to put grant aid in with technical aid, none of us would know how much money is in the bill for technical aid. We denied them \$121 million, but allowed \$259 million.

#### INVESTMENT SURVEYS

With reference to “Investment surveys,” \$5 million. They sought to justify that item but we have not allowed. For the previous fiscal year, we said, “Did you not spend \$2 million for surveys?” They said “Yes.” We asked them “Did you read the report?” The witness responded “No, we did not read your report.”

That was an affront to the committee. Last year we wrote in language prohibiting them from making these investment surveys, and the House supported us. This year they came back for \$5 million for investment surveys. They changed the formula a little bit. It can mean that a retired American businessman who may want to take a vacation and go

abroad, looking for a \$1 million investment, he can do so and the Government pays half of it, and the individual pays half of it. I think they would be more sincere about it if they would pay it all. The committee denied that. This type of expenditure is not necessary to encourage such surveys.

#### INTERNATIONAL ORGANIZATIONS

Mr. Chairman, with reference to “International organizations,” I have always been one to defend the U.N. I have some misgivings, and so do many of you. But the U.N. is a good sounding-off place. Without the U.N., we could have gotten into more serious troubles. Mr. Chairman, I may disagree with some of the items in the U.N., but I must admit that this is a program which is operated on a matching basis. It was the conclusion that we should not make one dime's reduction in any account in the U.N.; that this would be the one place, if we are going to have lasting peace, we are going to have to look to the U.N. Your committee recommended \$153.5 million, all of the money that you need for the U.N. It is the amount specifically authorized in section 302 of the authorization act.

#### SUPPORTING ASSISTANCE

Mr. Chairman, with reference to “Supporting assistance,” again they have changed the name of the program. Heretofore we referred to that item as “defense support” and “special assistance.” In reality, it is economic aid.

The authorization is \$465 million. Your committee recognized that there were many other places in the bill where recipient countries could receive grant aid and decided to make a small cut. The committee recommended \$400 million, a reduction of only \$65 million. But, Mr. Chairman, if we take all of the categories of the bill, you find that there is more money for grant aid this year than we have had before; \$1.025 billion that we have recommended for development credits. Somewhere along the way some Member may make reference to that as a loan program. We asked the Secretary of the Treasury, Mr. Dillon, when he came before our committee, this question: “Do you call this thing a loan?” He said “No; n-o.” He said “This is development credit.” We asked him, “How does this account operate?” He said:

For example, the maximum loan which we may make to a nation is \$1 million. They may pay no interest at all. We give them 10 years before they pay anything back on the loan. After the first free 10 years on this \$1 million, they pay \$10,000 a year—1 percent a year for 10 years—which simply means that after the free years of this loan, with no interest, they have only paid back \$100,000. Then they are to pay 3 percent in each of the succeeding 30 years, subject to cancellation along the way.

You and I know that is not a very attractive investment proposition.

#### CONTINGENCY FUND

Now the contingency fund. With all due respect to our great executives downtown—and they are all great, or they would never have reached the positions they held, whether it was President Truman, President Eisenhower, or President



Kennedy—we refer to this as the President's contingency fund. I do not know why they stick in the word "President's", because it is just a contingency fund. It is supposed to be used if there should happen to be an emergency develop during the year, so the President could finance the project out of what is called the contingency fund. But in the past, with few exceptions, this contingency fund has been used to initiate new projects that had never been justified to the Congress; projects in which they make a very small allocation out of the contingency fund, but which in subsequent years may require hundreds of millions of dollars to complete. We had so much money in there last year that it was overfunded.

One interesting thing about use of the contingency fund, they went down to Brazil and bought a nice housing unit. They paid \$446,000 for an American-owned housing project in Brazil. There are even more ridiculous projects that were provided out of the contingency fund.

#### ADMINISTRATIVE EXPENSES

Now, let us go to administrative assistance. The authorization is for \$50 million. Last year they asked for \$42 million and we gave them \$38 million. This year they asked for \$51 million, \$50 million was authorized, and we give them \$45 million.

#### MILITARY ASSISTANCE

As to military assistance, that is the item that we spoke of earlier. This year and in previous years we overfunded that item, because it is a sensitive item and they usually complain about it if there are any reductions. They say it is going to embarrass the country if cuts are made. But your committee, Mr. Chairman, examines and moves on facts. If you do not move on facts, you might foul up the program somewhere along the way. The committee recommends an appropriation of \$1,300 million plus a reappropriation of \$50 million of the unobligated, unreserved funds available on June 30, 1961.

Originally the Eisenhower administration asked for \$1.8 billion. Subsequent to that, President Kennedy said they wanted \$1.6 billion. Then, that figure was changed to \$1,885 million. Along the way we wound up with an authorization—one figure in the House of \$1,800 million, one in the Senate of \$1,550 million, and in conference they authorized \$1.7 billion.

We could not find any need for more than \$1.3 billion. But over the weekend, while you were enjoying a brief respite, I talked to people downtown because I wanted to have the best information. I did not want to be accused of crippling the bill. I should like to say further that I talked with the Speaker pro tempore and I said to him, "All right, I am going to vacate my own views and accept your views." But what do you have with regard to this item? You have about \$2.615 billion on hand, unexpended. You will have \$100 million of deobligated dereserved funds available for new use. You have \$50 million in unobligated funds that we are reappropriating. And it was stated before our committee that

we have now given nearly \$20 billion in military equipment to recipient nations. Sixty-six percent of the equipment is on hand available for use.

The bill recommends the \$1,300 million. Add to that the \$50 million, and then the \$100 million, and that brings it up to \$1,450 million.

In addition to that, there is this year a new authority available. We have met all the emergencies throughout the world, Lebanon, Matsuo, and Korea, out of this account through the military, but this year, something new was added in the authorization bill. If the President should deem it advisable, he may, under section 510, withdraw from Defense Department stocks \$300 million worth of articles and supplement this assistance program. So if you add that, you are up to about \$1,750 million. They have the machinery there if they need it.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I would like to know how much if any money or appropriations in any form whatever are contemplated to go to Communist-controlled governments.

Mr. PASSMAN. I should like to answer the gentleman. I trust my President, as you do. I trust the administration, as you do. I am perfectly willing to leave it up to the President to make the decision. I elected not to press that point and insist on language as to just where the allocations would be made. I am very sorry I am unable to answer the gentleman's question directly, because that is in the hands of the President. I am willing to leave it up to the President to make that decision. I am sure he would not make that allocation unless he thought there was some good reason for it.

I might state that in the hearings and in the report you can find there are 55 recipient nations to get military aid in fiscal 1962.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. I rise to answer the question the gentleman propounded. It is provided in the authorization legislation, which was signed yesterday, Public Law 87-195, that no aid shall be offered under this act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

Mr. PASSMAN. Yes, but I say again, and I think the gentleman agrees with me, that we should leave it up to the President.

Mr. FEIGHAN. You are making a very fine line of demarcation between domination or control by the international Communist movement or conspiracy and governments unquestionably controlled and dominated by Communists, such as the Communist regime of Tito of Yugoslavia, for one. Khrushchev said so-called national communism is nonsense. All Communists are part of the international Communist movement.

Mr. GARY. The President has complete control.

Mr. PASSMAN. That is true. We must trust our President. He is not going to make any allocations unless he finds there is very good reason for them.

#### INTER-AMERICAN DEVELOPMENT BANK

The Inter-American Bank, \$110 million. The committee decided not to make any reduction there. The full request is allowed.

#### INTERNATIONAL DEVELOPMENT ASSOCIATION

The International Development Association, \$61,656,000. Again we felt that we should fund the account in the full amount requested.

#### CONCLUSION

Mr. Chairman, may I say this in closing. This is a somewhat typical bill. To get a bill out, you cannot go too high or too low. That is why we elected to move along on the basis of the testimony presented to the committee.

Mr. Chairman, I have tried to be fair. I think you know that. I do not think there has ever been a Member of the House of Representatives who could so completely divorce himself from his own ideas when it became necessary to do so, if the administration was able to make a case for their ideas. I am going to face up to my responsibility now, as I have in the past. Otherwise, I would pack up and go home because I could no longer consider that I could contribute to the work of the House of Representatives. Mr. Chairman, I am not a contrary individual, but I do try to know something about my bill. We have brought you a good bill. Will you not indicate that you have some confidence in your subcommittee and that you have some confidence in your full committee. Over 7 long years not one time have I ever misled you, not one time have we underfunded a bill; not one time have I refused to yield to higher authority if that higher authority had something that appeared to be factual. So, Mr. Chairman, I ask my colleagues to support the subcommittee and to support the full committee.

I think it is desirable and I believe that the Committee on Foreign Affairs wants to see us go into these bills in detail and look for the fat and look for the places where we can take money out that is not needed. I will say that the great Committee on Foreign Affairs deals with policy. I think they do a good job. But I trust that you will support the Appropriations Committee. I think I can say, Mr. Chairman, that there is not going to be too much unhappiness along the way, if you support the committee in its recommendations.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to my colleague.

Mrs. KELLY. I would like to ask the gentleman concerning foreign currencies which is referred to on page 2 of the report. Do you mean that the amount mentioned there of \$1,917,400,000 is added to the amount recommended in the bill which will be available for the President to use?

Mr. PASSMAN. That is correct.



Mrs. KELLY. In other words, this amount of foreign currencies could be used in any manner that the President sees fit without further appropriation?

Mr. PASSMAN. That is my understanding, yes. It was so represented to the committee and that is why it is included in the report.

Mrs. KELLY. Has it ever happened that foreign currency funds have been waived by the President in recent years? In other words, has the requirement for appropriation been waived in recent years on these foreign currencies?

Mr. PASSMAN. This year we were somewhat searching in our examination and we reached the conclusions that Members would like for us to indicate in the report what funds would be available. That makes a better legislative history than merely an exchange on the floor of the House; does it not?

Mrs. KELLY. You and I are aware of the fact that the appropriation for foreign currencies can be waived, if the Bureau of the Budget so desires.

Mr. PASSMAN. That is my understanding, yes.

Mrs. KELLY. Then do you believe if we could save money for the United States by the use of these foreign currencies, the requirement for the appropriation should be waived?

Mr. PASSMAN. I think we should use foreign currencies in every instance that we can to meet our obligations, because as I indicated earlier, we had a dollar deficit of \$21.5 billion in the past 10 years, and our friends, the recipients of this money today have dollar holdings about double in the past 8 years and they now have more gold than we do. So, in every instance we should use foreign currencies. Does not the gentlewoman agree?

Mrs. KELLY. I thoroughly agree.

Mr. PASSMAN. So, if I may be repetitious for 30 seconds, support the committee. I spend 360 days a year on this bill. I think I know a little something about it, because I have traveled and traveled and traveled. We have studied the requests. And we have the facts to back us up.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. On page 2 of the bill, economic assistance, development loans and development grants, how much money do you allow for new work in Africa?

Mr. PASSMAN. Well, to be frank with you, we allowed all of the funds requested, every dime of the funds requested for Africa in all technical aid projects.

As I stated in the beginning, it is a little hard for the committee to understand why the Administration would take a purely technical aid program and limit to 8 percent that amount of money that could be used for capital improvements for labor, insecticides, or seeds. But now they are trying to throw this capital grant program into the technical aid program. So, we allowed every dime that the Administration requested to

continue foreign aid projects now under commitment with all of the nations.

Mrs. BOLTON. That is not what I asked.

Mr. PASSMAN. I am answering the question so that the Members will understand. They said, "We have no programs, we have no projects, we have no countries, we do not know where the \$121 million will be spent," so therefore your committee denied it: No country, no project, no program. They did not know where it would be spent.

Mrs. BOLTON. That interests me very much, because I have spent a good deal of time in Africa, and I think I understand the situation.

Mr. PASSMAN. I thank the gentlewoman.

Mrs. BOLTON. Unless we have some leadership to make new projects moving, in the countries that are just coming out of the primitive areas, unless we do that, we will have nothing in Africa and we will see the Chinese and the Russians moving in hand over fist.

Mr. PASSMAN. I thank the gentlewoman.

May I refer the gentlewoman to page 4 of the report. We have allowed all the money requested for technical aid projects in tropical Africa. We do not deny 1 dime. It was only \$121 million of capital projects that they intended to put in, and they said they had no project, no program, no country. They did not know where it would be spent, so we cut that out.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. Is it not true that we do not earmark any money in this bill for any particular country?

Mr. PASSMAN. That is correct.

Mr. GARY. The appropriations are based on estimates that the Department has furnished us as to how they are going to spend the money, but we do not require them to spend that money in any particular country.

Mr. PASSMAN. That is true.

Mrs. BOLTON. Mr. Chairman, may I interrupt the gentleman from Louisiana and say I understand there are programs and that they can be submitted, which we will do before the day is out.

Mr. PASSMAN. Of course, I can only go by what the people say who administer the program, and I will have to refer you to the statement that they had no projects, no programs; they did not know what country it would go in.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am going to tell you just exactly what I think about this bill. I have been trying to go along with the foreign relief program the best I could for the last 8 years. Sometimes I have been for some of their gyrations, and sometimes I have hard work compelling myself to go along. This time when we were faced with a request for \$1,200 million for development loans, it gives me a great deal of concern. To my mind, development loan is a misnomer. It is of absolutely no value to the United

States. I have studied the subject as closely and carefully as I could, spent hours and hours on it, even gave up having a Labor Day holiday which I would like to have taken, but I have been unable to find where it does a particle of good, and I know in a great many places, I would say the vast majority, it does no good at all.

In days gone by I supported the military assistance program. When I returned last fall \$200 million had been transferred out of what we had fought to put across, transferred to a development that was absolutely unnecessary and ridiculous.

The military assistance program is presented to us in this manner: An appropriation of \$1,300 million in cash; the reappropriation of about \$100 million in unobligated and unexpended funds; the right to withdraw from the United States military authority \$300 million on credit; that makes a total of \$1,700 million. The committee cut \$400 million off the budget estimate, but that is replaced by other figures that are in the hearings, and there is more than \$1,700 million available, or \$100 million more than was used—nearly \$200 million more than was used—last year.

There is talk of adding \$175 million to that. This would give them a total of \$1,875 million. Frankly, the thing is so mixed up that it is impossible, just as it was with the bill before us last year, to tell what we are doing.

When you get to boiling down these appropriations for such things as technical aid, you find they turn out to be not technical aid at all, except in rare instances. Once in a while there is a little bit that gets in there, but not a big lot.

They had schools conducted by different universities where they paid the people salaries for going to school, and on top of that paid something like \$800 apiece for tuition over a year's time.

The biggest part of the money went to some such operation as that. It is not anything we can be proud of.

I recognize that there is a very considerable sentiment on the part of people who wish to have themselves accorded favors. When they got to this development loan business, scattered all over the world, sending groups of people down to different places in South America and the Far East, to stir up trouble, and sending people to other places to do the same sort of thing, that is too much for me.

I could see nothing last winter when we had that aid to South America bill up but to vote against the bill.

Frankly, it is the tail wagging the dog, so far as this bill is concerned. Their approach to the thing being so difficult and so almost impossible, I frankly do not see how I can vote for the bill and maintain my self-respect at the same time.

Mr. Chairman, that is about all I have to say about it at this time.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. Ford].



(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, I will limit my comments at this point to the military assistance portion of the mutual security program. Other speakers on both sides of the aisle, as I understand it, will make comments in reference to the other portions of the bill. It is my understanding that these comments will point out the seriousness of the reductions which have been proposed by the subcommittee and the full Committee on Appropriations.

At the outset I would like to compliment the chairman of the subcommittee for the decision over the weekend to increase the military assistance fund by \$175 million. In the markup of the bill last Thursday the chairman of the subcommittee recommended for military assistance \$1,300 million.

As the gentleman knows, I offered an amendment in the subcommittee to increase the military assistance funds by \$200 million. The gentleman and I differed on this particular amendment. The amendment which I offered was defeated. Because I felt that in this area we needed more money than he had proposed, I am pleased to have the chairman now indicate that when we get to the reading of the bill he will propose an amendment to increase it by \$175 million.

Mr. Chairman, I would like to say at this point, however, that I do not think \$175 million additional is adequate.

Mr. Chairman, I would like to trace the history of this area for fiscal 1962 so that the Members of the House have a full understanding of what the facts are.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield so I can state why I will recommend the increase of \$175 million?

Mr. FORD. I heard the gentleman state that during his time. If the gentleman has anything more to add to that I would be glad to hear it.

Mr. PASSMAN. As I stated previously, I did this only after conferring with the leaders, both here in the House and in the administration, and this is what the administration asked for.

Mr. FORD. I am only going by what the administration—both the Kennedy administration and the Eisenhower administration—wanted. They are on record for a program considerably larger than even the military assistance program as amended upward by the chairman of the subcommittee.

Mr. Chairman, let us go back a minute in history. In 1959 former President Eisenhower established what was called the Draper Committee, a committee composed of high-ranking, experienced military and civilians, to determine what course our military assistance program should take in the future. The Draper Committee came up with a recommendation in 1959 to the effect that we ought to have a military assistance program of approximately \$2 billion per year. In the years before that we had been appropriating on the average of about \$1.6 billion for military assistance. The Draper Committee also recommended

that we establish our military assistance program on a long-term basis. However the Draper Committee did not make the mistake of asking that the program be financed by debt transactions on backdoor financing. They said we could have a long-term program for military assistance and still have an annual authorization and an annual appropriation. As a result of the Draper Committee report, the Eisenhower administration and, subsequently, the Kennedy administration within the executive branch of the Government in the Pentagon made a recommendation that the military assistance for fiscal 1962 should be \$2.397 billion. Subsequently, the Eisenhower administration, before it went out of office, in the submission of its budget for fiscal 1962, recommended for military assistance \$1.8 billion, a \$597 million reduction below the Draper Committee guidelines. President Kennedy, when he took office, after reviewing the military assistance program in March of this year, recommended a reduction of \$200 million below the Eisenhower figure. The new administration at this point proposed \$1.6 billion for military assistance. Between March and May of this year the new administration made another reevaluation of the military assistance program.

On the basis of this reevaluation the new administration amended its March proposal and recommended \$1,885 million. This figure was submitted to the authorizing committees of the House and the Senate. The Senate authorization ended up \$1,550 million, the House authorization \$1.8 billion. The final law which was signed yesterday by President Kennedy authorized \$1.7 billion. This bill before us in its present form is \$1.3 billion.

The chairman of our committee, the gentleman from Louisiana, has just indicated on the floor of the House that he intends to offer an amendment adding \$175 million. This is still inadequate. I propose to offer an amendment to the chairman's amendment to increase the amount to \$1.6 billion. This is the lowest figure recommended by either President Kennedy or President Eisenhower.

In March of this year President Kennedy recommended \$1.6 billion. He subsequently amended it upward but I think that the people on my right, of all the people, ought to support the minimum figure recommended by the President, and I think we as Republicans on our side ought to support this figure, because it is the minimum, in my opinion, that can be justified if we are going to get real benefits in the military assistance program. May I say again this figure is \$200 million less than the amount proposed by President Eisenhower before he left office on January 20.

Mr. Chairman, I would like to turn to some testimony in the hearings this year which I think is somewhat significant. On page 77 of part 1 of the Committee on Appropriations hearings, you will find the testimony of Secretary of Defense McNamara. Let me quote from it.

Let me emphasize the care that we used in arriving at this final figure. The items in the program were carefully selected, first by me and then by the President, from a much longer list which consisted of items for which our military advisers had certified that a high priority military requirement existed. In paring the list, I myself took particular pains to eliminate items of sophisticated equipment where in my judgment the recipient countries would not be capable of using this equipment effectively at least at the present time. In short, the \$1,885 million figure represents a rigorous selection by the new administration.

Then on page 84 of the hearings Secretary of Defense McNamara, again testifying, said:

In conclusion, Mr. Chairman, in making this statement I am speaking not only for myself, but also on behalf of all the members of the Joint Chiefs of Staff. They join me in unanimously endorsing the essentiality of the military assistance program. The Joint Chiefs of Staff regard the mutual security program as a cornerstone of our total defense effort and of our national security.

On page 102 of these same hearings, General Lemnitzer was testifying.

General Lemnitzer, of course, is Chairman of the Joint Chiefs. He says the following:

We have evaluated the program for fiscal year 1962 in relationship to the plans of our unified commanders overseas. We have examined force objectives to be sure that allied forces will complement our own forces. The force levels which have been set as program objectives have been studied at all levels, and the program details have been prepared to support those forces. The Joint Chiefs of Staff believe that the fiscal year 1962 program is a minimum program.

General Lemnitzer went on to say this:

The Joint Chiefs of Staff regard the two programs as complementary. While the program cannot be precisely compared, we believe that dollar for dollar we do get a greater amount of defense through this program than we could get by putting an equivalent amount of money into our own defense programs.

He further had this to say, and I think this is the crux of the matter. This is my question and his response:

In other words, you defend this part of the mutual security program budget as ardently as you defend the Defense budget of the United States?

General LEMNITZER. I do.

In other words, it is almost beyond my belief that after hearing this testimony the committee would reduce the military assistance program \$585 billion below the amount requested by the new administration. This testimony actually would justify a greater amount than Congress authorized by law. It certainly would justify the minimum figure recommended to the Congress in March by President Kennedy, an amount of \$1,600 million.

As I indicated a few minutes ago, I intend to offer either as a substitute to the chairman's amendment or as an amendment to his amendment a figure of \$1,600 million, so the House can go at least to the minimum figure recommended by President Kennedy in March of this year.



Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Is it not true that the authorization bill authorizes \$1,700 million?

Mr. FORD. That is correct. My amendment would still be \$100 million less than the figure in the authorization bill.

Mr. SCRANTON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Pennsylvania.

Mr. SCRANTON. Perhaps the gentleman can clear up for me the confusion in my mind. In the report they point out that one of the reasons they reduced the \$1,700 million by \$400 million was that in the authorization bill there was a \$300-million provision for the President to take down defense items when and if he needed. This, as I understand it, is a reimbursable item. Is that correct?

Mr. FORD. Section 510 (a) and (b) provide that in fiscal 1962 on a decision by the President the military assistance program can use up the \$300 million in our own Defense Department stocks. This section 510 was included in the authorization bill for the first time. It is in effect a military assistance contingency provision. Under this section of the law, the executive branch can add to whatever figure they get for military assistance up to \$300 million.

I personally disapproved section 510. I do not think it is a good way to handle the program. It is with us, however. The committee in the report says that if \$1,300 million is not enough they can dip into this military contingency fund, section 510. In effect the committee report asks the executive branch, if I read the language correctly, to use this unsound procedure. I think the section is wrong. I think it is bad to start this practice. I do not believe we should let them handle the military assistance program on a contingency basis. They ought to come up with hard justification and either get the money or not get the money based on facts submitted. Section 510 is really poor fiscal management from the point of view of the country.

Mr. SCRANTON. But there is no justification in the report as to why they cut out the other \$100 million. In reference to what the gentleman just said previously, I wonder, was the theory that the administration had set that minimum at \$1,700 million and that is why they cut out the other \$100 million?

Mr. FORD. No; do you mean my suggestion about the \$1,600 million?

Mr. SCRANTON. Yes.

Mr. FORD. I am trying to be realistic and practical about it. I think we ought to get the figure up as close as we possibly can to the justifications submitted by Secretary of Defense McNamara and General Lemnitzer on behalf of the Joint Chiefs of Staff.

Mr. SCRANTON. What I am getting at is that they have cut out from the authorization bill \$400 million; is that correct?

Mr. FORD. Yes; that is correct. It was cut from \$1,700 million to \$1,300 million.

Mr. SCRANTON. Three hundred million dollars of that cut was justified on the basis of this contingency fund. What was the other \$100 million?

Mr. FORD. I would ask the gentleman to ask the people who made the cut rather than to ask me.

Mr. SCRANTON. All right then, I will hold the question.

Mr. FORD. I suspect the answer will be that there was \$100 million in deobligations which would now be available in fiscal year 1962. Therefore, they could make another cut of \$100 million. However, it is my understanding that the Department of Defense had contemplated this availability from deobligations and had figured that in at the time they had submitted their budget.

Mr. SCRANTON. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell us how much has been spent for military assistance since this program began?

Mr. FORD. About \$20 billion has been spent.

Mr. GROSS. Twenty billion dollars?

Mr. FORD. That is correct.

Mr. GROSS. Is there any place where we can find to what countries this money went?

Mr. FORD. Yes, in the tables on the desk there is, I will say, to the gentleman from Iowa, a specific cumulative total of the money that has been made available to all countries in the military assistance area.

Mr. GROSS. Where are those armies today that we are supposed to have bought through the use of this money?

Mr. FORD. I mention a few. I personally think they have done a good job for us. For example, there are 500,000 men plus under arms in Korea. There are 500,000 to 600,000 men under arms in Formosa. In Turkey there are approximately 300,000 to 400,000 men, as I remember the figures. These troops are doing a good job for themselves, for us, and the rest of our allies. The money that we are discussing has in the past trained and equipped these forces, and in some instances is helping to maintain them. We are fortunate to have them on the side of freedom.

Mr. GROSS. Referring to the airbase in Saudi Arabia that we have been ordered to get out of and where we are still going to spend millions of dollars to complete, is this one of the places where the money is going?

Mr. FORD. There is a base called Dhahran in Saudi Arabia which was built in 1951 or 1952, as I remember. At that time that base was highly important to our own mutual security. It is true within the next year or so we may have to give up that base. It is all fine and good to look back and say in retrospect that it was a bad decision. But in 1951, 1952, 1953, and 1954, it was

mighty handy to have that base for our own mutual security.

Mr. GROSS. I would like to quarterback the Korean war for just about 30 seconds. How many foreign troops did we have supporting us over there?

Mr. FORD. We did not have as many as I thought we should have. I am not sure that the war was conducted as well as I would have liked to have seen it conducted, but nevertheless today we have 500,000-plus troops in the South Korean view of the free world, we made available North Koreans doing a good job. I think we are getting a good return on our investment in that area and in other similar areas.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Ohio.

Mrs. BOLTON. Referring to the airbase in Saudi Arabia, I have visited the airfield there. That airbase has served very useful purposes so far as America is concerned. One of the things we were doing was to train Arabs to be flyers, mechanics, and so on. Besides serving a useful purpose for our own mutual security, it has been a most invaluable contribution to the entire Arabian people.

Mr. FORD. I thank the gentlewoman. I agree with her.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Massachusetts.

Mr. CONTE. Is it not true that last year we appropriated \$1.8 billion for military assistance and that crises throughout the world have intensified greatly in that time with the Berlin blockade, the Soviets resuming nuclear testing, Laos, and later Cuba, and we need a minimum at least of \$1.6 billion here to meet our obligations throughout the free world?

Mr. FORD. The gentleman has stated my position precisely. Last year, when conditions were better from the point of view of the free world, we made available \$1.8 billion for this program. I do not understand why at the present time, with international problems more serious today than they were before, that as a legislative body we want to cut this program to a figure of \$1.3 billion.

Such a decision does not make sense. I do not think we are acting responsibly, and I do not believe that we are giving to the executive branch of the Government the tools they need to do the job if we cut the program this deeply.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Massachusetts.

Mr. BOLAND. First I want to commend the gentleman on a very forceful talk with respect to this item. There are few men in this Hall that know more about military assistance or about a military appropriations bill than does the gentleman from Michigan. I think that you will agree with me when he talks on these particular subjects, he talks commonsense; he talks reasonableness, and he knows what he is talking about, and I, for one, as a Democrat,



want to commend him for his suggestion on the amendment he is going to offer, where he is going to increase this item by \$300 million. I am going to follow his leadership in this matter, because I think he knows more about this than any other Member of this body.

I would like to quote from a letter that Secretary of State Dean Rusk and Defense Secretary McNamara sent to all of the members of the Committee on Appropriations. Incidentally, this bill did not come out of the full Committee on Appropriations unanimously. There was some rather violent dissent on the part of some of the members of the committee in respect to many items, not only on military matters but many other issues. And, I hope this House will go along on every item because I think we have to show to the world that we are interested in more than military assistance. I think we should give these nations around the world more than military assistance. I think we should increase the Development Loan Fund and the development grants. These are dangerous times; these are critical times, and I think that we have a responsibility to live up to our problem here.

But let me quote from the letter of Secretary Rusk and Defense Secretary McNamara with respect to the items that the gentleman wants to increase:

The \$585 million cut, from the \$1,885 million requested by the President, would in fact reduce by more than 50 percent the amount available for improving the forces of key threatened allies on the flanks of NATO and in southeast Asia, whose resources are inadequate. This is so because \$1 billion must in any event be used to maintain existing forces and meet fixed charges. Thus, these cuts would mean, quite literally, that NATO and Far East countries could not achieve adequate military forces—at the very time when both areas confront a crisis in confidence, and when NATO has agreed on the need for a firm posture to meet the Berlin situation.

I think in an area like this we ought to listen to people like the President of the United States and former President Eisenhower. We ought to pay some attention to Secretary of State Dean Rusk. We ought to pay heed to Defense Secretary McNamara. We ought to listen with a great deal of attention to the gentleman who is now on his feet in the well, and I think we ought to go along on this item here, and I think we ought to go along with other amendments when they are offered this afternoon to this committee.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, the bill which you have before you is, in my opinion, a reasonably adequate bill for the purposes which have been stated in the authorization act and in consideration of the position in which this country finds itself right now, vis-a-vis the rest of the world.

Mr. Chairman, I have been a member of this committee for approximately 3 years now; I have done what I could to make sure that this program was adequately funded, but not overly funded. I still have that idea in legislating to-

day. I think, however, that as we read the newspapers today it might be well to have another look at some of the philosophies which we have expressed in times past. I look at mutual security—at least parts of it—as items which we accentuate in days when we can afford them and cut down in times when we cannot afford them. In the Korean war we continued mutual security but we did cut it down as far as the economic side was concerned. I think that in this particular time where we have crises in Berlin, which we have crises in south Asia, where we have crises in other parts of the world, it behooves this great Nation to take another look at mutual security to try to determine whether or not it is more important to the free world that the economy of America be strong, that the military might of this country be strong, or that we carry on some of these very desirable projects to help underdeveloped countries; whether or not it is more important that we keep the sinews of the United States flexed and in shape, or that we expand our present effort to help in developing some of the countries which are emerging into nationhood. This is a question the answer to which will have to be supplied by each Member of the House for himself. As for me, I think the future of the free world is completely dependent upon the future of the United States of America.

I think that the future of the free world will best be assured by assuring that this Nation is powerful not only physically, morally, but also economically; and it is in this spirit that I will vote and have voted upon this piece of legislation ever since I have been a member of this subcommittee.

Let us look at the type of program we have here. This is not like any other appropriation bill we consider in this House, because it is based on items furnished as illustrations. We are furnished justifications which are illustrations; they are illustrations only. We do not know exactly in which countries money will be spent; we do not know exactly for what purposes money will be spent. We know that the departments have come to the committees of Congress and have said to the committees: "We would like to do something about this; we would like to do it about here, but we reserve the right to change the plan from time to time." So there is nothing sacrosanct about figures in this particular appropriation bill. I submit that there is no Member of this body, nor of the other body, and nobody downtown who has anything but an educated guess as to the proper amount of money which should be spent on this program; and I submit, as I have tried to before, that in all educated guesses you have an element which must be taken into account: How much the economy of the United States can afford in this day and time; how much can we afford to spend for this purpose when we must spend much money for the purpose of keeping ourselves, and therefore the free world physically strong? How much will this result in aggravating the balance-of-payments situation?

How much will this result in increasing taxes, deficits, or in increasing inflation in the United States of America? These are part of the imponderables which we must equate when we determine how much money shall be appropriated for mutual security.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Florida.

Mr. HALEY. The gentleman has been here a long time, he has heard these arguments time and time again that you cannot cut this program, you cannot reduce these figures. The actual truth of the matter is that over a period of years we have approximately \$5 billion left unexpended in this fund; and, if the gentleman will permit me to say so, I think the people of America now are beginning and should justly begin to think: What have the expenditures of \$106 billion brought to the United States of America? I say it has brought very little, and I think the American people are beginning to find out about this. If this program is continued, we ought to have some justification for the program. Let us see where we have been, let us see where we are going, let us see what we have out of it. If that is done, the people of this country, if a necessity is shown for this money, probably would give a little more consideration to it.

Mr. RHODES of Arizona. I thank the gentleman from Florida for his contribution. His constituents, as well as my constituents, are worried also about what we have bought with \$106 billion and what we are buying with the money which presumably we will appropriate today.

As far as this bill is concerned, I am disappointed due to the fact that I know full well that part of the money which we appropriate will go to countries that are dominated by Communist governments. Let there be no doubt in anybody's mind about that. This will occur because of the fact that the amendment offered by the gentleman from Texas [Mr. CASEY] to the authorization bill, and adopted by the House, did not appear in the bill as it came out of conference authorizing this program; therefore, because of the present wording, which is broad, the President can and presumably will, because it has been done in the past, see that aid is given to certain countries which are dominated by Communist governments. It may very well be true that these governments are not part of the international Communist conspiracy, at least covertly. However, I am sure many people in this House and many people in the country will agree with me when I say that a Communist is a Communist and it is unthinkable that a real Communist is not dedicated to the propagation of communism throughout the world.

It bothers me considerably when, as has happened in the past, there will be funds which will be appropriated by this bill which will go to the aid and comfort of a Communist government.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?



Mr. RHODES of Arizona. I yield to the gentleman from California.

Mr. McDONOUGH. I notice on page 5, section 107, that there is a recital or repetition of the resolution which passed the other day opposing the seating of Red China as a part of the United Nations. It states:

The Congress hereby reiterates its opposition to the seating in the United Nations of the the Communist China regime as the representative of China—

It is further stated:

in the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States.

Does that mean that the United States with its power and authority in the United Nations is unable to prevent the seating of Red China in the United Nations or the Security Council?

Mr. RHODES of Arizona. The gentleman feels as I do that this Government should exercise every bit of its ingenuity and every bit of its strength to keep Red China from being admitted to the United Nations. The gentleman also feels as I do that if we do this wholeheartedly, with the idea of winning this fight, then we will win it; but if we go into it halfheartedly and with the idea that we may lose the fight, as unfortunately has been expressed by certain high officials of the Government, then we will probably lose the fight.

Mr. McDONOUGH. To pursue the question a little further, there is stated in section 107 of the bill the following:

In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations—

Do we not have a veto power to prevent them from being seated in either one of those two bodies?

Mr. RHODES of Arizona. I am satisfied, as I think the gentleman from California is satisfied, that there are ways available to this Government to not allow the seating of the Chinese Communist Government in the United Nations.

Mr. Chairman, if I may proceed to one additional point, the gentleman from Louisiana [Mr. PASSMAN] has already stated that he will offer an amendment to increase the military assistance appropriation by \$175 million. I want to share with the committee the figures which I have, which will indicate the magnitude of the military assistance program as it will appear in this bill, if the amendment of the gentleman from Louisiana is adopted. The amount in the bill is \$1.3 billion. The amendment which is to be proposed would increase that by \$175 million. There is \$100 million unobligated and available to the military assistance program. There is \$50 million which has been debilitated and which has been authorized for reobligation. There is \$300 million in the authorization bill which can be used as a transfer of stocks. Inci-

dentally, it can also be used to pay people the salaries which they earn in teaching other nations how to use their stocks and can also be spent for packaging and crating, to ship goods abroad, and the like. Therefore this \$300 million, a new military assistance contingency fund, must be added to other funds which are available for military assistance under this program.

Mr. Chairman, this adds up to \$1.925 billion as being available under the legislation which we will have adopted this year for military assistance. This compares with an authorization of \$1.7 billion in the public law which has just been signed on yesterday by the President, and the request by the administration of \$1.885 billion.

In other words, if all of the matters which I have mentioned as contingencies should actually come to fruition, we will have appropriated or authorized the expenditure of \$40 million more for military assistance than was requested by the administration, and \$225 million more than was authorized.

Mr. FORD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, I rise today as one who would sincerely and honestly like to be able to support this mutual security appropriation. However, I have to say in all candor that in its present situation I cannot. I cannot, because as I read the press reports coming out of Belgrade, Yugoslavia, where nations are meeting—so-called “neutral” nations—who have been accepting money from the U.S. Government have at the same time said that we are imperialistic.

The definition of “imperialistic” or “imperialism” from Webster’s dictionary is simply this:

The policy, practice, or advocacy of seeking to extend the control, dominion, or empire of a nation.

Mr. Chairman, I submit that the mutual security program is designed to assist these people, and that it is not imperialistic.

Mr. Chairman, the question before us today in my opinion is not so much the dollars in this bill, although it would appear to some reading the newspapers that we had cut the appropriation. The simple facts are that the appropriation for the mutual security program is higher this year than it was in the last fiscal year.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman.

Mr. FORD. I agree that that is true, but in the case of military assistance that is not the case.

Mr. CEDERBERG. I recognize that. I am speaking of the overall amount in the bill. I do not wonder that the American people are somewhat confused. As I looked at one of the Washington newspapers, in the middle cartoon, I saw the picture of the Chairman of the Appropriations Committee cutting the mutual security bill.

The facts are the bill is increased over what it was last year. Authorization-

wise it is true it is less, but authorizations have always been ceilings and it is not a precedent not to grant everything that has been authorized.

In the left-hand column I read in this newspaper “A Great Day for Mr. K” referring to the action of the full Appropriations Committee. But then I want to refer the Members to another article which I believe is very significant, and I want to take the time to read it to you. It is an article by Crosby S. Noyes and it is entitled “Neutralism Shows Double Standard.” The dateline is Belgrade and here is what it says:

#### NEUTRALISM SHOWS DOUBLE STANDARD

(By Crosby S. Noyes)

BELGRADE.—The business of listening to some two dozen unaligned world leaders airing their opinions on world affairs may become a little tiresome, but at least it provides an American plenty of practice in keeping his temper.

The speeches, of course, have varied greatly from one another.

In tone, they have ranged all the way from the rantings of Indonesia’s Sukarno and Ghana’s Nkrumah through the carefully calculated cynicism of Yugoslavia’s Tito to the relatively temperate statements of India’s Nehru and Burma’s U Nu.

In virtually all of them, however, there is for the westerner painful mental readjustment to be made. To accept—or even begin to understand—the neutralist point of view of things one must first accept the whole series of neutralist values and myths which often strain the credulity of the listener to the breaking point. Beyond this he must accept, as between the West and the Communist bloc, a double standard of morality in international affairs so monstrously distorted as to make any real basis for comparison impossible.

#### WEST IS THE BAD BOY

He must learn, for example, that while virtually everything that the Communists do in Berlin or elsewhere must be accepted with resignation as what Nehru calls “the facts of life,” any defensive counteraction by the West is deplored as an unwarranted contribution to the cold war. In a general protest against the armaments race, it is inevitably American budget figures that are cited as a frightful example of what is going on. In the chorus of appeals for “general and complete disarmament,” it is always the Western “fetish” for inspection and control that stands in the way of humanity’s hope.

The Russians, to be sure, have done their best to help the West at this conference. Without the explosion of their latest nuclear bombs, there would probably have been no criticism whatever of Kremlin policy. As it was this criticism has consisted mostly of mild regrets that Russia should have felt “compelled” to resume testing. And with this brief aside the speakers have returned briskly to their sustained attack on the West.

All westerners have heard quite a bit, of course, about the wicked ways of colonialism and have heard it denounced in thundering terms by a succession of orators here. They may be somewhat surprised to learn, however, that in the opinion of a good many of these leaders colonialism and imperialism still lie at the root of virtually every important world problem. They will wait in vain for any hint that the vast majority of these new nations achieved their independence peacefully with the assistance of former colonial powers or the smallest suggestion that “self-determination” might be applied with equal justice in countries under Communist domination.

The westerner will also be lectured at length on something known as “neocolonial-



ism," which Tito defined yesterday as a policy of "maintaining a formally liberated country in a state of economic dependence on the metropolitan country." Tito's thesis—shared by many of his colleagues here—is that political and economic independence go hand in hand and that both must be provided by the "most developed countries."

#### BILATERAL COOPERATION

On the other hand, countries providing economic assistance on a bilateral basis have to watch their step carefully. So far as Tito is concerned "bilateral cooperation frequently embodies a considerable number of negative elements such as rivalry, interference in internal affairs, the imposing of political influence and the like." The result of such cooperation, he thought, sometimes "does more harm than good."

Tito, of course, should know, having accepted something in the neighborhood of \$2 billion in American aid over the last several years. But if the result of this aid has had the slightest effect on his own independence, it was not perceptible in anything he has had to say at this conference. Indeed there was no mention of any American aid by Tito—or by any of the other unaligned leaders, all of whom have shared liberally in the American program over the years.

From what was said here an American might well conclude that Tito was right and that the effort to date has in fact done more harm than good. From all evidence here the West still faces a desperate uphill struggle for the minds and hearts of uncommitted nations. It is a struggle in which the problem of communication—to say nothing of persuasion—remains unsolved. And in which the present currents of opinion are set in the most ominous course.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Ohio.

Mr. DEVINE. I wish to commend the gentleman for his remarks. It is very appropriate at this time, in mentioning Tito, that I read in my local newspaper yesterday in Columbus, Ohio, the fact that the U.S. Government has just sold to Yugoslavia, again, to Tito, 70 Navy jet airplanes. The thing about it is that they sold them to Yugoslavia for \$17,000 each, whereas they cost the U.S. Government \$200,000 each.

Mr. CEDERBERG. I have the item right here, and I intended to read it:

The last 20 of 70 Navy jet trainers the United States is selling to Communist Yugoslavia will start arriving in San Diego this month.

Then it goes on to bear out what the gentleman said. If these people are so neutral, what do they need our jets for? There are some very serious questions to be answered here. I believe in mutual security because I believe in some areas it has done well. I have voted for it and I have voted against it. I have been in opposition more often than for it. We are often told that we are not getting our story across. If the leaders of these countries haven't understood our aims, how can we expect the people to understand our aims and motives?

It seems to me the time has come for a reappraisal of this program and I am worried not so much about the dollars involved as I am the direction it is taking. As a member of the Appropriations Committee, although I am not a member of the subcommittee, there is nothing

in this bill as I understand it that does not give the administration everything it needs. It has received all the money it has requested from the Appropriations Committee. It is my understanding that in some of these areas it is more money than they had expected.

If I were the President of the United States, the first thing I would do is say, "Any country that calls my country an imperialist country, send your ambassador to my office. We want to find out if you think we are an imperialist country." We are dedicated to doing something good for people. I am tired of having my country kicked around by so-called neutrals. If we as a nation are considered to have ulterior motives in mind as we give them aid then I say they are not worthy of our assistance.

Mr. PASSMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I rise to advise the committee that when we start reading the bill I intend to offer an amendment to restore the greater portion of the funds for development grants. When the bill was before the full committee last Friday, I offered an amendment, and I intend to offer a similar amendment today. It would provide for the appropriation of \$350 million for development grants.

One reading the report would gain the impression that no justification was made for the development program beyond the amount that was authorized by the subcommittee itself. Page 4 of the report lists the various projects that make up the \$259 million that was approved by the subcommittee, and then the following appears:

Testimony developed during the hearings indicated that the administration has not programmed the new development grant money of approximately \$130 million by purpose or project. In response to a question as to whether the administration was requesting the Congress to appropriate this amount of money prior to the agency's development of specific programs or projects under this category of aid, the response by an administration witness was: "That is true, Mr. Chairman."

The impression is given that no justification was made therefore for the new programs. I suggest that Members may want to refer to page 1087 of the hearings in order to show that the administration does have a programming for the development grant program.

In the interrogation by the gentleman from New York [Mr. ROONEY] the following appears:

Mr. ROONEY. A while ago I listened to your colloquy with the chairman concerning the unprogrammed \$130 million of the development grant program of \$380 million, and I understood you to say that you could not tell the committee at this time exactly where that \$130 million would go?

Mr. COFFIN. That is correct.

Mr. ROONEY. And I think I heard someone say that you had requests in the amount of approximately \$190 million?

Mr. COFFIN. Yes.

Mr. ROONEY. Toward which this \$130 million would be used?

Mr. COFFIN. Yes.

Mr. ROONEY. How far have these requests totalling \$190 million been firmed up?

Mr. COFFIN. They are programs for projects. They are not just a request from another country that this be done.

Mr. Chairman, I would like to point out what the development grant program is. This is the point 4 program, the program that actually provides for good programs for the people. It gets down to the people of the grass roots. When an attempt was made to cut this program in the House by an amendment offered by the gentleman from Indiana [Mr. ADAIR] who presented an amendment to reduce it by \$50 million, the House rejected the amendment and said, "No, this is the type of program we want to approve." I think if we are to have any impact at all among the underdeveloped nations of the world—if we are to assist them in taking measures to eradicate disease, filth, and poverty and all the enemies of mankind at a local level, this is where the help must come, from the technical assistance of the point 4 program.

Mr. Chairman, I propose to offer an amendment covering this later.

Mr. Chairman, in passing I want to say, too, that just last year I supported an amendment offered by the gentleman from Michigan [Mr. FORD] to increase the amount of money for the military assistance program. I expect to support him this year as well.

It is unbelievable to me that the majority party of which I am a member should appropriate less money this year than was appropriated last year under a Republican President. This, to my mind, is a subject which should be non-partisan and, yet, I cannot believe that we should jeopardize, and I say that deliberately, jeopardize the security of our country by refusing to appropriate an adequate amount of money for the military assistance program.

Mr. Chairman, I read from a statement issued by General Eisenhower a few days ago. Former President Eisenhower said:

I am gravely concerned to learn that after the long struggle over the financing method to be used in connection with the mutual security program and after we receive assurances on the part of Democrats and Republicans of continuing support of the program itself, an attempt is now under way to slash the program's appropriation.

These slashes are incomprehensible to me, especially in the light of present world tensions. I am sure that the large majority of thinking American citizens, Democrats and Republicans alike, will join me in urging vigorous support of efforts to remedy the damage that would result from these reported committee recommendations.

(Mr. YATES asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Massachusetts [Mr. BOLAND].

(Mr. BOLAND asked and was given permission to revise and extend his remarks.)

Mr. BOLAND. Mr. Chairman, it is always difficult, of course, to follow the distinguished chairman of the subcommittee on foreign aid. There is not a question about the fact that he does his



homework. He does it well. He comes here every year with cuts that I think are too deep in this bill, and then, of course, at the last moment, he capitulates on one particular item and asks the House to go along with that capitulation but "do not change the rest of the bill."

Mr. Chairman, there is an obligation on the part of the membership of this House to pay some attention to those who are closer to the program than he is. I think there is a responsibility on the part of the Members of this House to heed the words of those who are operating this program. I think we have the responsibility of at least giving some consideration to the statements, to the wishes, and to the desires of the President of the United States who, in the final analysis, is responsible for our foreign policy. And, of course, all of us know this is an integral part of our foreign policy, and our foreign policy could not operate without this particular program. He says he needs the money. His predecessor, President Eisenhower, says that the money is needed in these areas. The Secretary of State says so. The Secretary of Defense says so. And just because the gentleman from Louisiana says we do not need it, that we have had enough, does not leave much of an impression upon me. He says in this particular regard that there are always telephone calls that come at the last moment or letters that come up from downtown. What is wrong with that? These people know the program. They have a right to express their views to all of us, whether we sit on this subcommittee, the full Committee on Appropriations, or whether we sit as a Member of this House.

As I say, these people are close to the situation, and I think we ought to listen to what they have to say. The gentleman from Louisiana says that this is the most expensive and the largest foreign aid bill in the past 7 years. Well, what of it? It ought to be. In this particular time in our history I think perhaps we are in greater danger than we have ever been in the past 7 years. So, we ought to go a little slow with this take-it-or-leave-it attitude on what we ought to accept in this bill. But, that is the way it has always been. We come here with this bill and we have to take it or leave it according to the dictates and the wishes of the gentleman from Louisiana. But, we ought to exercise our own judgment here.

Sure, it is an expensive bill, a costly bill. Some people say it is a bill that buys peace. The problem here as I see it—and I think the Members will see it likewise—is that you must spend money to stop some of the things that are going on around the world. Should we spend the money to implement the foreign policy that the President of the United States says we need in these very perilous times? I think we should. It is costly, but is it not nearly as costly as the loss of 53,000 killed and 204,000 wounded and with an expenditure of \$25 billion in World War I? In World War II there were 293,000 killed and 670,000 wounded with an expenditure of over

\$350 billion in that war. In the Korean war there were 33,000 killed and 103,000 wounded, and we spent about \$35 billion in that war. Here all the administration asks is \$4.2 billion. Is it not worth spending that amount of money to protect our Nation, to protect our boys and to see to it that the telegrams no longer arrive which spread tragedy in the homes of the American people? I say it is, and I say the cuts here have been too deep, and I hope that the House will not just go along with increasing the military assistance program by \$300 million, as the gentleman from Michigan envisages. I hope we go along increasing other items as well. I think it would be wrong for this House to send out to the world the news that we are only interested in increasing the military assistance and not those items such as development loans and development grants and the contingency funds. I think this is terribly important. I think we would be making a tragic mistake if all we did was to increase the item for military assistance.

Mr. ROONEY. I am in thorough agreement with the distinguished gentleman from Massachusetts, and I should like to call attention to what former President Eisenhower had to say upon learning of the drastic cuts made in the Appropriations Committee last Friday on this bill:

These slashes are incomprehensible to me, especially in the light of present world tensions. I am sure that the large majority of thinking American citizens, Democrats and Republicans alike, would join me in urging victorious support of efforts to remedy the damage that would result from these reported committee recommendations.

So I agree that amendments should be offered to substantially increase this spending bill.

Mr. BOLAND. I appreciate the remarks of the gentleman from New York, who is a member of the subcommittee. He knows of the pleas that were made before the subcommittee and the full committee for more funds, not only for military assistance, but especially in the other fields. As a matter of fact there was not any need of additional military assistance, but I stand to be corrected if I am wrong. The gentleman from New York [Mr. ROONEY] is one of those who has done his utmost to make this a workable bill.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Michigan.

Mr. FORD. I agree with the observations of the gentleman from Massachusetts. In certain areas there were cuts other than the military where the reductions were too far, and in particular in the contingency fund where I believe the President, whether he be Democrat or Republican, ought to have enough money to meet emergencies which are bound to occur every year.

Mr. BOLAND. I appreciate the remarks of the gentleman from Michigan who is always nonpartisan in this particular area and who has always made a great contribution to the membership of this House not only in this field but in other categories as well.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman just recited the Korean war losses. I would remind the gentleman that this program was in operation during the Korean war, and I would ask him if it did anything to stop the casualties or to cut down the \$36 billion that war cost us?

Mr. BOLAND. The gentleman from California knows that this is part of our foreign policy; this is an integral part of our foreign policy.

Mr. McDONOUGH. I admit that it is a part of our foreign policy, but there are other things that are far more beneficial.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

(Mr. BOLAND asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I yield myself such time as I may use.

The CHAIRMAN. The gentleman from Louisiana is recognized.

Mr. PASSMAN. Mr. Chairman, I think it is very important to keep this in context. This is not a Passman bill. I do not set myself up as an expert. This bill came first from the subcommittee which heard the testimony, backed by the full committee comprised of 50 Members of the House. I do not recall any amendments being offered in the full committee to replace the military reductions; and, as stated, I was in touch with the top echelons in Government, including our distinguished majority leader.

It was indicated and agreed upon that they would like to see \$150 million restored to the military item. All hands agreed that this was sufficient. The gentleman from Virginia [Mr. GARY], understood it. I said: "Let us put in an additional 25 million, so there can be no misunderstanding whatsoever."

When you have satisfied the people downtown and satisfied the leadership on either side of the aisle, why all the pressure now?

To be perfectly candid with you, we are giving them in excess of what the minimum requirements would be.

After we reported the bill last year you put \$200 million back in the military item here on the floor only to find they did not need it. This year we recommended \$1,300 million. I am going to recommend \$175 million more, after these consultations, which is more than the people downtown agreed they would be satisfied with. We are reappropriating \$50 million of unobligated funds. They will also have \$100 million available in deobligated or dereserved funds. They also have available authority to draw \$300 million from Defense Department military stocks. These sums total \$1,925 million.

So, who are we trying to satisfy here? Is it the leadership on either side of the aisle? The Secretary of State is satisfied, the White House is satisfied. Who else is there to satisfy?

Mr. YATES. Mr. Chairman, will the gentleman yield?



Mr. PASSMAN. I yield to the gentleman from Illinois.

Mr. YATES. Does the gentleman declare to the House because of his intention to raise military assistance by \$175 million that the White House is satisfied on every other part of this bill?

Mr. PASSMAN. I am not going to say that the White House is satisfied with every other part of the bill. I can only say that the gentleman should consult with the majority leader, the gentleman from Massachusetts [Mr. McCORMACK]. I am not prepared to make any other statement.

Mr. YATES. Does the gentleman say with the \$175 million the gentleman is going to put in the bill for military assistance that the White House is satisfied with that provision?

Mr. PASSMAN. I will ask the gentleman to go to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK]. If he does not tell you he is satisfied, I will offer an amendment to increase it further.

Mr. YATES. Is the gentleman saying he has no agreement with downtown?

Mr. PASSMAN. I am saying you are going to have to check with the majority leader. I am not the majority leader. I can only say that you should consult the majority leader, and whatever views he gives you on appropriations for the military assistance program I will abide by.

Mr. HAYS. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and five Members are present, a quorum.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, at the outset, in answer to my chairman, the amendment to the military assistance item was not offered in full committee Friday, that is true; but it was offered in subcommittee and the individual who offered it in the subcommittee had to go home to his district on Friday. That is the reason it was not offered, but he reserved his right to offer it on the floor of the House today.

It is only 2 weeks since I spoke on this measure which is before us today, but I hope the House will bear with me in what I have further to add to this legislation which is of equal importance to the United States as it is to her allies throughout the free world.

The most important problem of the mid-20th century world is the growing gap between the living standards of the people residing in the third of the world that is fairly highly developed, and those living in the two-thirds that is still underdeveloped. We enjoy a position in the first group of nations where the rates of growth in our developed economies are rapid so that our people can look forward to considerable increases in their material standards in the course of a generation.

In many countries in the second group—economic development is slow, if at all and often population growth outstrips expansion of the economy which results in an actual fall in individual

standards of life. The inequality then, between the prosperous nations and the underdeveloped two-thirds is increasing and the differences in relative rates of growth ensures that this will be so. Certainly, the national incomes of the underdeveloped countries will grow, but they are like cripples in a race—they cover some ground, but all the time the leaders are strengthening their lead and it becomes more and more hopeless for them to try to catch up.

We must not fool ourselves into believing that the peoples of the underdeveloped nations are living in seclusion. The means of communication today makes it impossible for them to live on their side of the world in ignorance of what is happening in the highly developed nations—rather there is a growing awareness of the relative wealth of the Western World which has led to the conclusion that techniques exist to create affluent societies in which all people can participate. With this growing awareness, the traditional resignation of the poor to their poverty breaks down because it is one thing to accept the inevitable, but it is quite another to accept what can be changed. Therefore, the greater becomes the technical achievement of the developed world, the greater grow the expectations of the underdeveloped peoples. Tension arises as fulfillment lags behind promise, and out of such tension revolutionary situations can be created.

No political leader in Asia, Africa, or Latin America can do other than promise his people higher standards of life soon. The challenge is sharpened by the example of the Soviet Union—a state that has industrialized itself in 40 years. And while we of the West look at the fantastic price in terms of human life and happiness that has been paid for that industrialization, it is understandable if people who are desperately poor and who live in regions where life is relatively cheap, look at the economic achievement rather than at the political price to be paid. That is why I see the economic rivalry between free India and Communist China as being vitally important. If India lags behind, many Asians may draw the conclusion that democracy is too expensive a system for them. I am merely using India as an example, but I do believe this feeling may be prevalent throughout many regions in the underprivileged parts of the world.

In the newly emerging nations, the aim is not one of restoration—as there is no past framework with which to work. At this stage, their needs go far beyond the construction of factories, dams, and all the economic resources which create a prosperous society. Their need is the establishment of a new society itself, a society which affords its citizens a substantial measure of social justice, a society which recognizes that unless the ordinary individual is guaranteed participation in the economic advance, he will make no willing contribution to it. Quite apart from the task of bringing about a degree of social justice, the greatest problem facing the underdeveloped countries is an economic

one. It is lack of capital in every sense, and in our foreign relations since the end of World War II we have attempted to meet this need as well as to provide the military assistance necessary for the protection of these nations and the maintenance of the sovereignty of the United States against those who, if they could, would infringe upon it in order to bring about our destruction.

This item of legislation before us today, I consider to be the most important measure we are being asked to deliberate upon during this session of the 87th Congress. It comes at a time of great difficulty and distress overseas. It comes at a time of crisis in South America, southeast Asia, and Europe. It comes at a time when our participation in world affairs should be more emphatic rather than less. But at this particular time of world crisis, we find that our mutual security program—the instrument essential to a better way of life for two-thirds of the world's population as well as to our security—is to be dramatically slashed. It is an incredible situation when power and flexibility is needed to assure our preeminence, we find that by our own actions we are attempting to limit this power and influence in the world.

We have, at this particular period in world politics, reached a watershed. We are in a period when the Soviet Union has shocked world opinion by first announcing its intention to recommence the testing of nuclear weapons and immediately following up this threat with—not one—but two tests. This action on the part of the Soviet Union has made the cold war grow warmer. But despite this knowledge we are here today attempting to reduce our military assistance by \$400 million. With crises in Berlin, Laos, Cuba, and South Vietnam, I can see no evidence whatsoever that would make me think there will be need for less military assistance in fiscal year 1962 than there was last year.

So far as the Development Loan Fund is concerned, the reduction disregards essential parts of the testimony presented by the director of the fund in support of the full authorization. It disregards the case presented by the Secretaries of State and Defense in their joint letter which affirmed the director's testimony that the amount of \$1,200 million is a conservative estimate. Clearly anticipated requirements from India, Pakistan, and Brazil will amount to between \$700 and \$800 million. Ten other key countries will need between \$300 and \$400 million. These countries include only two or three in Latin America. But under the committee bill there would be available for development loans to other countries in Latin America and elsewhere no more than \$25 million. It is as obvious as the nose on one's face that the full \$1,200 million is needed. I will offer an amendment to restore a great portion of the funds.

Over the years, our foreign policy has been aimed at keeping the uncommitted nations free and uncommitted, and to assist these nations in developing a particular philosophy, not necessarily producing the same conclusions to specific



international problems as ourselves, but nevertheless, a philosophy acceptable to their peoples and not alien to our way of life. The final curtain has descended today on the Belgrade Conference of the uncommitted nations—these nations geographically arranged in various parts of the world are key countries politically. As a result of their increasing role in world affairs and the prestige they command, they are bound to exert a powerful influence on other countries who are economically underdeveloped and politically uncommitted. Yet, by the ax we are attempting to use, these nations will no longer look to the West for help and guidance in the process of developing their democracies and their economies—their sights may be turned to the Soviet Union if we are inconsistent in our desire to continue assisting them. As I pointed out earlier, these are the nations we must not allow to lag behind because they might well conclude that the democratic process is too expensive a system for them to adopt.

We are all of us keenly aware of the fight we have just waged against Treasury financing of funds for development loans in the foreign-aid program. We prevailed in our insistence that development loan funds be provided by annual appropriations and we won that fight. This was no hollow victory—we pledged to our colleagues in the Congress and to the American people that the appropriating power would be exercised responsibly. I do not believe this measure now honors our pledge of responsibility either to this assembly or to the American people and I do not believe it is in accord with the conference agreement made by our agents.

I can hardly comprehend the reasoning behind these extraordinary reductions, for they take out all the substance in the measure and make it almost impossible for us to achieve our objective in this vital field of foreign relations. To put the best construction on the action of the committee, one can only assume that they have acted with some haste but if their actions are endorsed, it is the United States who may repent at leisure. We have won our fight for fiscal responsibility. It was fought with sincerity and in the desire to see the appropriating power of Congress maintained while still discharging our obligations to ourselves and the world. We must now demonstrate that we are equally sincere and responsible in the discharge of our duties and provide the funds essential for the success of this vital foreign-aid policy program.

Mr. Chairman, papers throughout the United States have commented editorially on the action of the subcommittee and of the full Committee on Appropriations. I would like to quote from the Washington Post editorial of September 2, "an exhibition of indifference and irresponsibility that is shocking."

I would like to quote from the Evening Star editorial of September 4, "A great day for Mr. K."

I would like to quote from the Washington Post editorial of September 5, "unaccountable cuts."

Mr. Chairman, I hope that today we will live up to our responsibility and restore some of these cuts that were made in the military assistance program, which items are so vitally needed for our allies throughout the world, at a time of crisis. We should restore some of these cuts in the Development Loan Fund. We promised on the floor of this House that if you gave us the right to get this money and not go through Treasury financing we would live up to our responsibility. Secretary Rusk and others who appeared before that committee said that they needed a minimum of \$1,300 million to carry out our commitments to the free world. I hope today we will live up to our responsibilities in this House.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. LINDSAY. I should like to compliment the gentleman on the excellent statement he has just made. I appreciate his emphasis on the development loan program, which is the most important part of the whole bill, in my opinion.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, I have found it very difficult to believe that the Appropriations Committee of this House can be so unaware of the situation in which humanity stands today. I am appalled that they have so little realization of the vital survival issues that are affected by the items in this bill.

I have not been to the Far East, I have not been to South America, so I am going to confine my remarks to the items on Africa. I have been there, and I have kept in close touch with what is going on in Africa ever since.

I have been troubled for a long time at the attitude we have often taken. When Guinea broke with France, France took even the screws out of the walls, we did not recognize her for months and months and months. We did not send them an Ambassador for 10 months. Naturally she did not think much of us for that. She had to have help, even to get a few screws. Naturally she took it from those who offered it. Perhaps we have been pennywise and pound foolish since then, which may be one of the reasons she seems to be leaning more and more toward the East.

Mr. FEIGHAN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the distinguished gentleman from Ohio.

Mr. FEIGHAN. It is my impression that Guinea made appeals to the U.S. Ambassador for assistance but was turned down.

Mrs. BOLTON. The gentleman is quite correct. Not only did we not give help, but, and this is incredible, one reason we did not give any help was that this House had passed a law that nothing could be given by ICA until there was a firmed-up, signed contract. What does a country that comes out of colonial desperation know about signed contracts? Finally a year later they found what it meant that they signed. By that time

they knew what they meant, and they were glad to do it, but it was a year late.

That has happened a good many times in different ways all over this world. I wonder what we expect of human nature. I wonder what they think of our human nature. I do not think it measures up too well, do you?

Why do we not recognize the fact that many of the countries of Africa do not know how to set up technical schools, nor to learn how to grow good chickens? They all eat plenty of chickens, but the poor things have pretty rough going—no one knows how to feed them, so they are pretty scrawny birds.

It just happens that a couple of young friends of mine have put \$20,000 into a chicken farm.

Already the neighbors are learning how to grow better chickens and the knowledge is spreading like wildfire. That is private enterprise. That is good. We want to encourage it, but we cannot leave the future of this particular country or any country to a group of young enthusiasts who give \$20,000 out of their own pockets to start a chicken farm to teach people of other lands how to grow good chickens, and so on to many other basic programs.

Mr. Chairman, it is surprising to me that we seem to have so little understanding of these things. Not much money is being asked for any particular country. Furthermore, what is the money being asked for? Have you been in Morocco? Have you been out in the country there? Do you realize how much they need technicians and supervisors? Where are they going to get them?

Have you been in Tunisia into the country there? A public health nurse went to one little hovel after another. I did not wonder that they had all kinds of diseases. You should have seen them sitting on the floor, wet and sloppy, and the food was unbelievable. It was being fed to the baby. The nurse quietly said to me, "The baby has been sick since it was born." Why not? They do not know anything about health and about health measures as we understand them. That has begun in the cities because our public health people have been working with their health departments.

They need a nursing school. Of course, they do not need one like the Presbyterian Hospital has in New York City, but they need a school where young women and older women can be taught how to take care of the sick and where they can be taught how to teach others not to carry infection—infection that can become a national menace.

The Belgians down in the Congo, south of Leopoldville had set up a public health facility in a very large area. It was wonderful. A doctor who went to Africa with me spent a week in the area with the Belgian doctor in charge. His report was a picture of what can be done if there can be help. They had determined, on the basis of what they had actually done, that in one generation they could wipe out leprosy. Have you ever seen lepers? If you cannot go to Africa, I suggest you had better go to some of our leper institutions because we do



have a few of them. Go and look at them and see what you would think if your child became a leper. Go and look at them and find out for yourself what it means. Well, the Belgians got that all started and they were doing a beautiful job before this thing blew up down there—because the Belgians were a little dull in other directions. But alone, the Congolese could not have done it.

In the Cameroons, as in the other countries, they had a great deal of communicable disease. Should we not help them to do something about it? Those countries are agricultural countries. They need help to grow better corn. The women stand all day long pounding their manioc, pounding their maize to make flour for biscuits. In only one place did we find they added a little protein to this flour, and that was up in the Masai area in Kenya. There they had the good sense not to kill their cows because a cow is the visible evidence of how much money they have. So what do the people do? They put a porcupine quill into the neck of the cow and draw out blood and mixed it up with the maize. This supplies more protein than most Africans have. So many of these sick babies, youngsters who start out in life black and beautiful. But, lacking protein the black fades out, their hair turns gray and straight, and the little ones look like little wizened old men. If you ever saw my motion pictures, you would have seen them. These are the things that we should be trying to help with. These are the things that it is going to be impossible to do anything about, if this amendment fails. The money in this bill merely continues the existing work; it leaves no money for more of such assistance as will make it possible for these people to help themselves.

Africa is pretty big. You have got to go into Africa. You have got to go into the new countries; you have got to go into the new areas, because the Chinese and the Russians are getting there awfully fast.

Now, of course, it makes a difference who is going to be the influence in those countries. The U.S.S.R. will dominate. The U.S.S.R. will tell them how, when, where, and why. They will take every scrap of freedom away from them, but the poor things do not know it yet. They have not realized the meaning of democracy. Semantics, friends. The definition of English words is so very different in different areas, even in different areas of this country. I frankly say to some of you very charming gentlemen from the South—none of you happen to be on the floor just now—there are some of you I cannot understand when you speak. So, I hope that we will teach just the kind of, well, maybe a little West English. It is at least plain.

Some of these things are needed: We need educational development. We need schools over there. In Ghana they have some schools, but in reviewing their educational system they have asked us to do something about more schools for them. We have helped them with a university, but we must help them expand their educational system. We know

what education means. Oh, I wish you could hear those thousands of children that I have seen, with little white shirts and little khaki pants, coming in droves, hundreds of thousands, to these little schools, some of them outside. They are much better outside because they can sit around under a tree, and everybody that listens, everybody that can hear, can learn something if they are not beyond the voice of the speaker. But, they do not have these things. So, there is a limit to those who can even hear, much less learn. I went to one school, kind of out in the desert, a big, open place. It had a few walls left from some bombings. They were having three sessions a day, and those children were so proud of the fact that they knew a few English words, and they were so proud that when they saw a picture of an elephant they could say "elephant." They hunger for knowledge, for education, and that is going to be satisfied, my friends, some way. Are we going to let it be the U.S.S.R. way? Are we going to stop all progress now by cutting off every new bit, every penny?—and, it is only pennies at that—to help these people get into a situation where they can help themselves and build something? Do you not want the world to be a little better for your children and your grandchildren than it is now? Well, how do you think they feel? I made it my business to talk to all of the women I possibly could. They wanted just what I wanted for their children and grandchildren; a little better life, a little more understanding, each of the other. It was not much, but it was the same thing.

Take Uganda, they need some agricultural help. They are an agricultural country.

Tanganyika: Wonderful sisal plantations. They want more help. They want to get away from a one-crop economy; they want a little diversification. There is coffee there, but they suffer from a one-crop economy. When the coffee crop goes bad in Ghana they have an awful time.

In Zanzibar they would like to have a little bit of development, community development, a training center.

The CHAIRMAN. The time of the gentlewoman from Ohio has expired.

Mrs. BOLTON. Can the gentleman from New York yield me additional time?

Mr. TABER. I yield the gentlewoman from Ohio 1 additional minute.

Mrs. BOLTON. I thank the gentleman from New York very much.

Mr. PASSMAN. Mr. Chairman, I yield the gentlewoman from Ohio 2 additional minutes.

The CHAIRMAN. The gentlewoman from Ohio is recognized for 3 additional minutes.

Mrs. BOLTON. Mr. Chairman, I am not saying we must have \$100 million here, \$200 million there, \$500 million some other place; I am trying to make Africa and its need a deep reality to you, something that will be just as real as the slums over here that we ought to be so ashamed of. We ought to be ashamed of slums anywhere, and we ought to be ashamed not to do everything we can to

eradicate them. When I was a little girl I sold red flannel petticoats for missionaries in Africa. When I got over to Africa I found that red flannel petticoats were not popular, but that Americans and what they could do were deeply wanted. This is probably so in Burma and all the Far East, in Africa, in South America. Oh. How much it is true in South America. I do not know about those things, but I have been in Africa and I do know and I want to say to each and every one of you, please put back the cut in the development end of this bill and the grant end.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I so gladly yield to my chairman.

Mr. O'HARA of Illinois. I wish to join with the gentlewoman from Ohio in her statement and to say it has been a great pleasure and privilege to work with her on the subcommittee on Africa. Of this cut of \$121 million in the development grants, \$100 million comes from Africa.

Mrs. BOLTON. From Africa?

Mr. O'HARA of Illinois. That is, if the cut in the appropriation for development grants is not restored, there will be no new starts on the entire continent of Africa, and of the \$121 million in scheduled programs that are eliminated, \$100 million are African programs to meet an immediate and urgent requirement.

Mrs. BOLTON. I had a feeling that it was only \$90 million, Mr. Chairman, but I will take the gentleman's word for it. It is 31 percent of the whole business.

Mr. O'HARA of Illinois. Unless this money is restored we have lost the continent of Africa. Will the gentlewoman agree with that?

Mrs. BOLTON. It will be very hard to save it.

Mr. BARRY. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from New York.

Mr. BARRY. I am sure my colleague will join in what I will be unable to say but just suggest, how deeply we appreciate your having brought your rich experience and deep convictions to all of us here, and to say that when the gentleman from Massachusetts offers his amendment he will have many supporters.

Mrs. BOLTON. Thank you very much. What is the figure in the gentleman's amendment?

Mr. CONTE. One hundred and twenty-one million dollars.

CALL OF THE HOUSE

Mr. McDOWELL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-nine Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:



[Roll No. 183]

|              |               |              |
|--------------|---------------|--------------|
| Baker        | Harrison, Va. | Pilcher      |
| Barrett      | Harvey, Ind.  | Powell       |
| Bass, N.H.   | Hébert        | Rabaut       |
| Bolling      | Hoeven        | Rains        |
| Boykin       | Holland       | Reece        |
| Brooks, La.  | Johnson, Md.  | St. Germain  |
| Broyhill     | Kee           | Santangelo   |
| Buckley      | Kilburn       | Shelley      |
| Celler       | Landrum       | Siler        |
| Chenoweth    | McIntire      | Steed        |
| Corbett      | McMillan      | Teague, Tex. |
| Dague        | McSween       | Thomas       |
| Davis, Tenn. | Mailliard     | Van Pelt     |
| Dawson       | Miller, N.Y.  | Westland     |
| Edmondson    | Milliken      | Wharton      |
| Evins        | Minshall      | Wright       |
| Fogarty      | Mosher        |              |
| Hall         | O'Konski      |              |

Accordingly, the Committee rose and the Speaker pro tempore [Mr. McCORMACK] having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 384 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. DURNO].

(Mr. DURNO asked and was given permission to revise and extend his remarks.)

Mr. DURNO. Mr. Chairman, I appear before this body today not as a member of the subcommittee or of the full committee. I think the premise of my remarks should be something like this: I do not feel that the United States of America at this time should be the missionary for the non-Soviet world.

Mr. Chairman, I sat through 1 week recently listening to the debate and the amendments offered on foreign aid. I admire and respect the very able Americans who spoke both in favor of and in opposition to this important bill. I was particularly impressed by the sincerity, the honesty, and the forthrightness of those who so clearly delineated the problem. The entire debate was nonpartisan and quite properly above politics.

In supporting H.R. 9033, I would read into the RECORD my own views as reported to a constituent who urged me to support foreign aid.

The following are excerpts taken from the letter:

There are a few facts that I think you should be aware of in this overall program.

1. We have given, loaned or expended \$106 billion since World War II to more than 90 nations.

2. In providing them money, machinery, buildings and technicians for their renaissance, we have returned some of them to a solid economic foundation and made them our industrial competitors. Actually we are no longer able to compete with their cheap labor.

3. This program of exporting jobs has resulted in the paradox of a very high unemployment rate and in the largest number of people employed in the history of this country.

4. To compound this problem we have seriously unbalanced our own budget and have transfused our economy with billions of dollars in domestic programs and at the same time have created no new taxes to syphon off our high money supply. The inevitable result of this irrational financial procedure will be inflation.

5. I am going to finally enumerate the agencies and bureaus of Government that are presently involved in foreign aid, militarily, economically, and developmental.

- (a) Export-Import Bank.
- (b) Inter-American Development Bank.
- (c) World Bank.
- (d) Development Loan Funds.
- (e) United Nations.
- (f) The ICA (now AID).
- (g) The Organization of American States.
- (h) The International Monetary Fund.

(i) \$600 million previously appropriated by this Congress this year for Latin-American aid.

(j) Presidential contingency funds, of which there are several.

(k) Peace Corps.

(l) The \$8 billion in foreign currency that we control lying within those nations that we have assisted.

(m) There is presently \$5.4 billion unexpended and unobligated money available now and presently in the pipeline for commitment.

(n) Today we will probably approve approximately \$11 billion of additional money for the foreign aid program.

(o) Finally, there is the commitment that Secretary Dillon made on the President's behalf at Punta del Este, which proposes to provide \$20 billion in the next 10 years for aid in this hemisphere.

Some of these overlap to a degree but I submit to you that we are a generous, compassionate Nation. With all of this effort on our part and the expenditure of all of this money we are nearer war today than we have been since World War II.

I would have you know that we are presently spending \$1 million an hour, day and night, more than we are taking in.

Sincerely,

EDWIN R. DORUS.

May I add a few additional observations during the balance of my time?

I want to say I am not opposed to foreign aid; I am opposed to the amount of foreign aid. I am shocked at the way this program has been handled in the past. I am fearful of the future.

I urge you all to read the reports, No. 795 on Peru, No. 546 on Laos, and No. 2012 on Cambodia. These are hearings conducted by our House Government Operations Committee and any of you who have not read those reports I urgently urge to read them.

Clearly this bureaucratic bungling must be corrected. We have got to stop this business of cutting up Cadillacs and dropping them in wells, dropping heavy machinery on beaches without roads, building roads into the side of a mountain with no end, and developing irrigation districts where there is no water.

I am opposed to the corpulent and opulent Uncle Sam loaning money to our Latin neighbors, and permitting agencies of those governments to charge 12 to 25 percent interest to the poor peons of those countries. Our taxpayers would pay some \$25 billion in interest alone, before the loans would be repaid, if they could or would ever be repaid.

I do not own a share of stock of American corporations which have had \$3 bil-

lion of property expropriated in Cuba. Thousands of Americans do, however, and there has not been one word of objection by our Government.

The end result is the loss of dividends to stockholders, the writing off of losses by American firms, and the ultimate loss of tax revenues from private income tax and from corporate taxation.

Nine billion dollars more is privately invested south of the border, and propaganda pleasantries of our Government are urging our citizens to invest more capital. This, as the Government loans money to state monopolies to compete against private enterprise.

Finally, if we have 20 million substandard homes, if hundreds of thousands of our children are improperly educated and need schoolhouses, if our citizens are going hungry and more than 5 million are unemployed, and if countless thousands are unable to pay for medical care, then I think our first obligation is at home.

Mr. Chairman, gold is running out of our country, foreign currency running out of our ears in other lands, everybody owing us and hating us, and who will pay the bill, the American taxpayer.

Let us be realistic, let us develop fiscal responsibility.

Cuba, Brazil, France, and Tunisia and the Belgrade Conference should teach us something.

Military aid to those who can help us and developmental loans to our friends, yes, to the world, no.

These are precious, precarious moments. Our economic and military survival are at stake.

Mr. PASSMAN. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Illinois [Mr. PUCINSKI].

(Mr. PUCINSKI asked and was given permission to revise and extend his remarks.)

Mr. PUCINSKI. Mr. Chairman, I have supported the mutual security program during my entire career in Congress and expect to continue supporting it because I recognize that we are in a very precarious position throughout the world and a great deal of assistance is needed if we are to win the great struggle against international communism. However, I could support this program a great deal more enthusiastically if those in charge would incorporate into this assistance, which extends all over the world, policies that would encourage the concept that private capital, which has worked so successfully in our country, has demonstrated a deep concern for the welfare of the individual by incorporating the principal of minimum wage standards into our free enterprise philosophy. In looking over the program for underdeveloped countries, beginning on page 3 of the committee report, I see six items listing how the majority of this money is to be spent in foreign countries, but nowhere do I find any mention made of the fact that we are actually trying to improve the economic standing of individuals in those countries with American economic assistance.

This program has been criticized as one that makes the rich richer and the poor poorer in many of these recipient



nations. It seems to me that if the people who administer this program would incorporate into our foreign policy a strong insistence, or at least a strong prodding, among the respective nations we are trying to aid, that they give serious consideration to adopting fair labor standards for the working masses of these nations, we would help create an image among the people we are trying to get to our side of the fact that private enterprise and private capitalism as manifested in the United States, does show a deep concern for the individual.

Yesterday 3½ million more Americans began enjoying additional fair labor standards when our minimum wage bill went into effect. As of today some 30 million Americans are covered by fair labor standards which means that they must earn at least \$1 an hour for their labor.

I am not suggesting that we can reach very soon a position where these underdeveloped countries we are helping will be able to pay the sort of salaries that we pay our workers in America, but certainly a beginning should be made.

You will recall in 1938, when this Nation adopted the Fair Labor Standards Act, we started with a meager 25 cents an hour. Yesterday we went to \$1.15 an hour for those already covered and \$1 an hour for the 3½ million newly covered. Over the ensuing 23 years we perfected the program.

It would seem to me if we could show the people of these undeveloped nations of the world that we are willing to help them develop their industry, that we are willing to help them develop their economy, but we want them to recognize the fact that the people who work for these industries must be given an opportunity to benefit from the wealth that is produced with these investments, we will be putting the lie to the Communists who make all sorts of false promises, because we will be there with a program the common man can understand and immediately benefit from. We would prove to these people that we are sincerely concerned about the individual, that we are trying to improve his lot.

For this reason, I hope, regardless of what you do with the amendments, whether we restore the cuts or do not restore them, the administrators of this foreign aid program will incorporate a strong prodding of the recipient nations for the development of fair labor standards. Only then will we have a policy that will be appealing to these people. I wonder how the Kremlin would meet this challenge if we, as a Nation, persuaded those nations receiving our aid to adopt legislation guaranteeing their people minimum wage standards comparable with the respective country's economy. With such a program, we would be able to demonstrate to the people of these respective nations that while the Communists deal only in false promises, we actually produce programs which help the average workingman in these nations provide a more decent standard of living for his family.

I say, Mr. Chairman, that our State Department fails to use all the tools at

its disposal in fighting for the minds of men. It does us little good to finance projects all over the world if the masses of people in these countries must continue to live in poverty and see their labors exploited. The minimum wage law in the United States has been one of the most successful measures ever adopted by a free people. We should point with pride to the fact that 30 million Americans enjoy the benefits of minimum wage and maximum hours. This law has gone a long way toward helping millions of Americans retain their dignity and improve the standard of living for their families. Yet, in all these discussions about the foreign aid programs, I have never heard anyone tell us that the State Department has helped this concept get a foothold in the nations we are trying to help develop. I have seen no evidence that those who are responsible for carrying this program out are even aware of our Fair Labor Standards Act.

Last year I had a delegation of Japanese representatives visit me and urge continued support for the cultural exchange program. They told me the program was needed to stop the dangerous gains which the Communists are making in Japan. I told them the Communists always make headway in countries where the working people are exploited with low wage standards as they are in Japan. I suggested Japan give consideration to adopting minimum wage standards. They told me this is impossible; that Japan's economy could not stand such a philosophy. I reminded them there were similar misgivings about our own program in 1938. Yet, our country's economy has flourished in the ensuing years.

I am certain fair labor standards can work in other countries. We should encourage such a program if this foreign aid program is to win us sincere friends and supporters throughout the world. Communism would be hard pressed to meet this challenge because the entire Soviet economy is based on forced labor at slave-labor wages.

Mr. PASSMAN. Mr. Chairman, I yield 5 minutes to the distinguished and very able Member from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, may I say at the beginning that there is no one in this body for whom I have a higher respect or a warmer affection than the gentleman from Louisiana. He is sincere. He is a prodigious worker. I doubt if any of his colleagues puts in more hours of hard grinding labor, working at night as well as by day, Sundays and holidays included. I am sure if he had realized what he was doing to his friend BARRETT O'HARA, who is chairman of the Subcommittee on Africa, in cutting the appropriation for the development grants, he would not have done it.

In all sincerity, I say if this cut is made by the Congress, as the bill comes from conference, you can say goodbye to Africa.

We can win Africa by proving our friendship to the peoples of the new emerging nations. The situation in Africa is tense. Of course, it is. How could it be otherwise when, the need is

so pressing and immediate, for education, for health measures, for training in the fight against poverty. The gentlewoman from Ohio [Mrs. BOLTON] has presented the situation in this well with the moving eloquence that reflects deep emotions. But every minute counts. Unless we can proceed as is now planned, we will lose Africa. Out of a cut of \$120 million, or \$130 million, the sum of \$100 million affects Africa. We can do nothing for Africa in the year 1962 except to continue on the small and feeble programs that have proved inadequate.

The situation in Africa is critical. We almost lost in Guinea, as the gentlewoman from Ohio [Mrs. BOLTON] told you. We almost lost in Ghana, but American business is still operating in Guinea and in Ghana with confidence. If we show the same confidence, if we go on with the wise self-help programs that have been planned, we can win the hearts and the minds of all the peoples of Africa and the confidence of all the governments of Africa.

What are these programs you are cutting out?

One is to bring more Africans—African young men and young women—to study at American universities so they can go back to Africa prepared to carry on the work of the destiny of Africa in their respective countries, and to aid the new nations in building new and strengthening old institutions of learning in their own countries.

Mr. Chairman, malaria eradication is a part of this. As my colleague, the gentleman from Illinois [Mr. YATES], so well pointed out, this is a program to help people. This is a point 4 program. It is a program based upon self-help.

What you are doing is to strike down Africa. If we lose Africa we have lost the world. What do I mean by that? With the growing number of seats of the new nations of Africa on the General Assembly of the United Nations, and the potential wealth of Africa, the great population of Africa—and Africa today is being wooed as never before by Red China and Russia—even a child should figure out what I mean. I have faith in the people of Africa to work out the destiny of this great continent and to build great enduring bastions of freedom. But now is the hour of need. We shall lose the last vestige of hope of bringing Africa to our side if in her hour of need we give an icy stare instead of a warm handclasp.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LINDSAY].

(Mr. LINDSAY asked and was given permission to revise and extend his remarks.)

Mr. LINDSAY. Mr. Chairman, we are all aware that democracy is at a fundamental disadvantage when it confronts an authoritarian power on a matter of grave international importance. The strength of our democracy, however, is that the divisions which are our fundamental source of strength at home vanish when the Nation's very existence has been challenged. In times of challenge, such as both World Wars, the



Marshall plan, the Korean incident and the crisis in Lebanon, our ranks closed in support of a positive initiative by the President.

It was only a few days ago that this body differed sharply with the President on his proposal for financing development loans. As I listened to the debate, however, I was struck by the number of speakers on both sides who, although opposed to Treasury borrowing, nevertheless endorsed the need for long-range planning and the funding levels requested by the President. Only a few days ago the conference report on the Foreign Assistance Act of 1961 gave strong endorsement to the level of funds authorized in the bill. The report referred to these amounts as a floor, rather than a ceiling, and it went on to say that the Executive's authority in the bill to make commitments "will be honored by the Congress unless there is evidence of obvious bad management or the other country has failed to meet its responsibilities." However, despite these strong endorsements during the last 2 weeks, we now find before us a recommendation to begin a retreat from them.

Like it or not, we have been thrust into a position of leadership among free nations throughout the world. In the Foreign Assistance Act of 1961, we enunciated a policy of support for the economic and social advancement of the less developed countries in strong terms. That legislation authorized \$1.2 billion in development loans for fiscal year 1962. What kind of an impression are we conveying of the unity, solidity, and purposefulness of this country if only a few days later we repudiate this fundamental decision? Can those of us who voted for the bill and the conference report now believe in good conscience that the amounts that seemed valid only a few days ago are no longer so? Just 4 days ago former President Eisenhower said: "Those slashes are incomprehensible to me, especially in the light of present world tensions."

What seems even more incredible about the \$175 million reduction in development loan appropriations proposed by the Appropriations Committee is that the committee appears clearly to have misunderstood the proposals made by the executive branch under both the Eisenhower and Kennedy administration. The committee report suggests that the requirements estimated by the executive branch reflected the needs of only 13 countries. What the report does not make clear is that these 13 countries are priority nations which are expected to use \$1.1 billion or more of the \$1.2 billion requested. In addition, witnesses before the committee cited needs in more than 30 other countries. These witnesses also pointed out, on pages 269 and 804 of the committee hearings, that 22 of these countries now have pending before the Development Loan Fund over \$300 million in applications. They were saying, in short, that requirements actually exceed the \$1.2 billion requested and involve activities in between 40 and 50 countries rather than the 13 cited by the committee.

If the committee action is allowed to stand, the consequences will be grave not only for the development of many of the more than 30 countries which have simply been omitted from possible loan transactions, but to our current foreign policy position in several critical areas.

For example, many of the countries in this orphaned group lie in Latin America. The \$175 million reduction by the committee would reduce the loan program's contribution to the alliance for progress by as much as a third or more. Yet it was only a year ago in a heartening bipartisan demonstration that this body took the first step toward endorsement of what was begun under the last administration and is now known as the alliance for progress. Now we are asked to support a half-hearted response to this all important aspect of our foreign policy—indeed one of the few positive and consistent aspects of foreign policy that we have.

There are those who may feel that a 15 percent reduction is not large enough to be a matter of concern. A reduction in this amount is not unusual for many programs and certainly not for the development components of the foreign assistance program. Viewed in these terms and in terms of the total Federal budget, of which the proposed reduction would save two-tenths of 1 percent, the cut does not seem too drastic. But viewed in terms of what it could do for peoples whose average annual income is substantially less than \$100, it can mean the difference between a substantially better life or continued abject poverty. Imagine what five 100,000-ton nitrogen fertilizer plants would contribute to increased food production any place in north Africa, the Middle East, and south Asia.

The committee's cut would make available these plants. Imagine how many primitive villages throughout Africa, Asia and Latin America would be lighted by an additional 700,000 kilowatts of power. The proposed reduction would make available this added thermal power. Imagine how many small farmers who do not have access to markets would have a new life opened to them, and imagine how many landless peasants would at least have access to their own soil if 8,000 miles of farm-to-market feeder roads were built throughout these same areas. The committee's cut would make available these roads. So, in terms of the lives that will feel the affect of development loans, the committee's cut would be considerable indeed.

Mr. Chairman, I spoke at length on the subject of the development loan program when the Foreign Affairs Committee brought the authorization to the floor. I shall not repeat those comments here. But for those reasons and the reasons I have given here today, I urge that this cut be restored.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa, [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, will the gentleman yield so I may make a brief statement?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, we have made a promise to the leadership that we will finish this bill today, we will vote on it today.

Mr. GROSS. Mr. Chairman, the slogan for today ought to be, Ask not what you can do for the American taxpayers but how much money you can ladle out to foreigners all over the world.

I have 100 questions I would like to ask but time is not going to permit. I have listened carefully to most of the debate this afternoon. We have heard about how the women in Africa are compelled to propel some kind of a grinding device up and down to grind meal. I can remember many years ago when, as a boy on a farm, I used to watch my mother churn butter that way.

Mrs. BOLTON. I churned some myself.

Mr. GROSS. I do not recall that there were any foreigners rushing to the aid of the farmers of this country or anybody else in this country with billions of dollars of foreign aid in those days. As I remember it, at one time this country borrowed some money abroad. The British at one time burned down the capitol of this country, but we went right on paying the principle and interest on the loan to the British, despite the fact that they invaded Washington and wrought heavy destruction. Our record has been pretty good as far as the foreigners are concerned in the past.

Mr. Chairman, I would like to ask the gentleman from Michigan [Mr. Ford] by how much he expects to increase this bill for so-called military assistance.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield.

Mr. CONTE. \$300 million, from \$1.3 billion to \$1.6 billion.

Mr. GROSS. He intends to offer an amendment to increase it by \$300 million?

Mr. CONTE. So I understand.

Mr. GROSS. Is that in addition to the increase which the gentleman from Louisiana is going to propose by way of amendment?

Mr. CONTE. No.

Mr. GROSS. That includes the \$175 million he proposes in his amendment?

Mr. CONTE. That is included. It will be a \$300 million increase from the present \$1.3 billion.

Mr. GROSS. I was under the impression they were having a rather difficult time in the State of Michigan with their finances. I do not know how the finances are in the State of Massachusetts, but I was under the impression that Michigan was having a rather difficult time meeting its obligations.

Mr. CONTE. I do not know what the situation is in Michigan, but I am sure that if we are unable to stop this wave of communism throughout the world you will not have to worry about the finances in Michigan or any of the other 49 States.



Mr. GROSS. Since the gentleman has raised the issue of communism, how many nations are involved in the so-called uncommitted nations meeting in Belgrade at the present time?

Mr. CONTE. Just about all, 30, I believe.

Mr. GROSS. Thirty or thirty-six nations that are uncommitted?

Mr. CONTE. About that.

Mr. GROSS. Why should there be any uncommitted nations, at the rate we have been shoveling out money all over the world?

Mr. CONTE. I do not think this foreign aid should be a question of bribery. I do not think we should buy anyone.

Mr. GROSS. What is the purpose of this so-called foreign aid?

Mr. CONTE. The purpose of it is to help the underdeveloped and the underprivileged people of the world. It is a twofold program. It is like a two-edged sword. It is for the security of the free world and also a humanitarian program to help those less fortunate throughout the world.

Mr. GROSS. Such as Ghana, and Nkrumah, the head of that government? Is that an independent nation?

Mr. CONTE. I think it is very important to keep these nations friendly to us.

Mr. GROSS. Does the gentleman know that Nkrumah is one of the worst dictators in the world today?

Mr. CONTE. There are a lot of dictators throughout the world, such as in the Dominican Republic and other nations.

Mr. GROSS. It is very fitting that these uncommitted nations that have been the beneficiaries of billions of dollars of our money, including Nehru in India, should now be over in a Communist country, Belgrade, throwing brickbats at us.

Mr. CONTE. It is better to have them independent than under the Communists.

Mr. GROSS. How could we get any help from the uncommitted nations?

Mr. CONTE. I hope that they will be on the side of the free if the chips are ever down.

Mr. GROSS. The gentleman knows where they are going to be if the chips are ever down. They are going to be neutral. The gentleman knows these uncommitted nations did nothing for us over in Korea, when Americans were fighting and dying, and we were financing all the war in Korea. Where were the uncommitted nations then? All India ever produced for Korea was a hospital unit, and the gentleman knows it.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I was very much intrigued during the debate on the authorization bill when we were told by some of the Democrats that we ought to listen to the gentleman from Minnesota because of the fine keynote speech the gentleman made at the Republican National Convention a year ago. If the gentleman will remember, after that speech I said to him, "Yes, you made a good speech, and the reason why it was a good

speech was the fact that you barely mentioned foreign aid."

Yes, the gentleman certainly gave the foreign handout program the once-over treatment but lightly when he made that keynote speech, because he knows that if this proposition could ever be put to a vote of the American people they would defeat it overwhelmingly.

Mr. JUDD. The evidence is against that. You cannot make me believe the overwhelmingly majority of the American people would vote year after year for a program which the majority of their own constituents is opposed to. I have had polls of those in my district which consistently show that 80 percent of the people see the importance of this proper, as a matter of our Nation's survival. The gentleman asks, What will these countries do when the showdown comes? The purpose of the program is to prevent such a showdown's coming.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I cannot yield further to the gentleman from Minnesota; I yield to the gentleman from Michigan.

Mr. JUDD. I thought that the gentleman did not want an answer to his question.

Mr. GROSS. I have your answer.

Mr. HOFFMAN of Michigan. Mr. Chairman, I demand the regular order.

Mr. GROSS. Mr. Chairman, I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. If the gentleman from Minnesota would give anyone an answer without so much talk, we would be glad to listen. I will tell you the answer as to the purpose of the bill from the disciple who sits at the gentleman's feet, the gentleman from Michigan [Mr. BROOMFIELD]. Here it is, quoting from the RECORD:

In this bill before us today, we are not offering bigger and better bombs with more killing power.

You see there is nothing for defense. But continuing—

We are offering those who are without opportunity, a chance to improve themselves.

That is the missionary's job.

We are not offering total destruction. We are offering a tomorrow to man which will be better for him and his children.

You see, it is all in the future. It is all visionary.

And they are spending somebody else's money. Furthermore, there is no assurance that we will not go to war.

Mr. GROSS. The taxpayers of Minnesota may have all kinds of money, but I am sure the taxpayers of Iowa are getting tired of watching their dollars go down the drain in this foreign boondoggle.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. No, the gentleman from Minnesota can get time to speak.

Mr. JUDD. I just want to say something about the taxpayer's money.

Mr. HOFFMAN of Michigan. Mr. Chairman, I demand the regular order. I make the point of order that the gentleman from Minnesota is continually

interrupting without first securing the gentleman's permission.

The CHAIRMAN. The gentleman from Iowa [Mr. GROSS] is recognized.

Mr. GROSS. Mr. Chairman, now I would like to ask the gentleman from Louisiana a question or two. Just how much money is in this bill to take care of the refugees still in the camps in the Middle East?

Mr. PASSMAN. I think there are adequate funds.

Mr. GROSS. Well, how much are the citizens of this country contributing to take care of those 1,100,000 refugees?

Mr. PASSMAN. I think it is \$16 million.

Mr. GROSS. We have heard so much today about the downtrodden and underdeveloped. Are these refugees going to die in those filthy camps in the Middle East?

Mr. PASSMAN. Of course, that is a question that has to do with policy. I am very much in sympathy with the people over there. The least we can do is to give them a bare existence. I think we are contributing something like \$30 a year—per individual.

Mr. GROSS. Who is responsible for these people?

Mr. PASSMAN. Of course, I am not able to answer that question, but I think it is part of our responsibility and that is why we are helping them.

Mr. GROSS. Are they the responsibility of the United Nations, the occupants of the Tower of Babel in New York?

Mr. PASSMAN. I join the gentleman from Iowa in hoping that sooner or later this situation will be corrected and that it will no longer be necessary to make this contribution.

Mr. GROSS. In the meantime, we are going to continue to provide millions of dollars to give them a bare subsistence, and apparently with no one else interested in their fate.

Mr. PASSMAN. We are cutting back to some extent. The figure for fiscal 1962 will be about \$13,350,000. That is our contribution.

Mr. GROSS. Does the gentleman know of any more cruel chapter in history than the moving of those people into these camps, and then, with the exception of this Government, virtually deserting them?

Mr. PASSMAN. That is a very bad situation. Of course, I wish we could move them into apartments like they have at the Mayflower here in Washington, D. C., but I do not think we have sufficient funds to do that so all we can do is to help them to have a bare existence.

Mr. GROSS. Let me ask the gentleman another question. I did not hear a word uttered on the floor of the House when the authorization bill was before us, about this new fangled loan deal that has been concocted. I discovered it in reading the Appropriation Committee hearings. Let us take a hypothetical case of a \$50 million loan to Argentina, for example.

For the first 10 years they pay nothing on the money that they borrow; not a



dime of the principal. In the second 10 years they pay 1 percent on the principal, and in the next 30 years, if there is another 30 years, it is 3 percent each year on the principal. In other words, on a 50-year loan they pay not 1 dime of interest.

Mr. PASSMAN. I might state that of course in previous years we had the Development Loan Fund, and the people that supported that legislation claimed it was necessary to have the repayment in local currency, and the local currency would be used in the countries on projects mutually agreed upon between our country and the recipient nation. And, I should like to say that we accumulated so much local currency that it was beginning to interfere with the economies of those countries. So, they came up with a new proposal that called for loans. And, I am sure the gentleman wants the facts. We asked the distinguished Secretary of the Treasury, Mr. Dillon, "Do you call these things loans?" And he said, "No, they are development credits." Now we have maximum terms. The maximum terms would be 50 years with no interest. There is a small service charge but no interest. You give the recipient nations under maximum terms a 10-year grace period, so they pay nothing back for the first 10 years. Then the following 10 years they pay 1 percent per year on the principal and the remaining 30 years 3 percent per year on the principal, and in 50 years they will have liquidated the loan, provided the loan is not canceled somewhere along the way.

Mr. GROSS. And, of course, at any time they refuse to pay and tell us to jump in the lake, and the only way we could get anything for our money would be to send an army and take over some of the assets of that country.

Mr. PASSMAN. Of course, these loans are subject to cancellation.

Mr. GROSS. When the gentleman from Louisiana [Mr. PASSMAN] said to Secretary of the Treasury Dillon, "What would you do if I came to your bank and asked for a loan of \$1 million on this same basis?" The gentleman from Louisiana answered his own question by saying, "You would kick me out or you would have one of your assistants kick me out of your bank." Is that about correct?

Mr. PASSMAN. I would like to state to the gentleman again that you are dealing with policy. Republicans and Democrats alike know that this is part of our foreign policy, and as long as they think it is part of our foreign policy I think it is the responsibility of this committee to provide sufficient funds to support our foreign policy and, as I said before, I usually yield up my own thinking and support the administration with sufficient funds to carry out our commitments.

Mr. GROSS. I wonder how stupid this Government can get in this business of pouring out money all over the world?

Mr. PASSMAN. Our stupidity also would be a question of policy, I am afraid.

Mr. GROSS. Here is an example of what we have gotten into: The British today are paying not one red cent on the \$4 billion they borrowed from us after World War II; no payment of interest or principal. And still we devise new schemes to drain the people of this country of their money. I ask again, How much more of this stupidity?

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman and members of the Committee of the Whole, I should like at the outset to pay tribute to the distinguished gentleman from Louisiana [Mr. PASSMAN] for his faithfulness to details in connection with this annual foreign aid appropriations bill. There is no more hard-working Member of the House, and I would be the first to admit that as far as knowledge of the details of the pending bill is concerned, I confess I do not know 10 percent of what the gentleman from Louisiana knows.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I want to thank the distinguished gentleman for his support and I thank him for his very fine compliment.

Mr. ROONEY. No thanks are due me for my support as I opposed the gentleman from Louisiana on a great many of the items in this bill.

I feel myself confronted with this proposition, and this was my position in the subcommittee and in the full committee on appropriations last Friday morning. It was only recently and during the week of August 14 that for 5 days this House of Representatives debated the foreign aid authorization bill, and great attention was then given to every detail of that bill. It was only last Thursday that that same foreign aid authorization bill was brought back here to the House of Representatives by way of the conference report resulting from the conference with the other body, and that conference report and the amounts contained in it were adopted in this House by a vote of 260 to 132 and in the other body by a vote of 3 out of every 4 Members. Then what happened? The very next morning, or rather that very same afternoon, the gentleman's subcommittee marked up the bill, and the following morning, Friday morning, produced before the full Committee on Appropriations a bill that cut the funds approved the day before by \$896 million. I do not think this is the way to run a railroad. I feel that some moral commitments were made on the part of the Appropriations Committee that it would be reasonable in view of the fact that the back-door spending provisions were taken out of the foreign aid authorization bill.

As it stands, Mr. Chairman, if you were to take the figures that are proposed by a majority of the full Committee on Appropriations and by the distinguished gentleman from Louisiana, restore to the bill the \$175 million additional proposed

for military assistance, the bill would still be \$721 million, almost three-quarters of a billion dollars below the amount that was decisively decided by this House only on last Thursday.

What has happened since the full committee meeting on Friday? Why put back \$175 million? Had a mistake been made with regard to this? Apparently. But in my opinion a much greater mistake has been made.

What about the item in this bill for development loans, one of the important items in the bill? What about the cut in supporting assistance? What about the cut in the President's contingency fund? And as far as the President's contingency fund is concerned, let me say to you that on last Thursday the authorization was agreed upon at \$300 million. The following morning the President's contingency fund was cut almost half in two, to \$175 million.

I say this is not fair treatment of President Kennedy and the present administration. Last year in the annual appropriation bill for foreign aid, President Eisenhower was allowed \$250 million as his contingency fund. Why cut it this year to \$175 million? There has not as yet in this administration been a breath of scandal, or proof of any wasteful expenditures of money; no incidents of that sort have occurred in this new administration, yet right at the outset we clip, so to speak, President Kennedy's contingency fund. Whatever events there were of wastefulness and gross overspending were made in the previous administration and over the years, and I know we all deplored them.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for a clarification?

Mr. ROONEY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I might state to the gentleman and to the committee that the Congress last year really authorized only \$150 million for the President's contingency fund. It was during the conference, about 3 o'clock in the morning, that we got mixed up with some Senate figures and added another \$100 million. That was done by mistake and misunderstanding. This year we appropriated the full \$150 million, the amount actually authorized by Congress, and in fact we actually raised it to \$175 million.

Mr. ROONEY. My friend misses the point; you give the present administration less than was given to President Eisenhower. This discriminates unfairly against President Kennedy right at the outset of his program.

Mr. PASSMAN. We are going to work toward holding as much of the House bill as we can, but we will leave the House with a larger figure for President Kennedy than we left the House for Mr. Eisenhower last year.

Mr. ROONEY. The gentleman surely does not mean that the bill we passed on last Thursday by a 2-to-1 vote, which has now been slashed moneywise to the tune of \$896 million, is better?

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Massachusetts.



Mr. BOLAND. Is it also true that the President requested for his contingency fund \$500 million?

Mr. ROONEY. He most certainly did.

Mr. BOLAND. And the authorization committee cut this to \$300 million?

Mr. ROONEY. Yes.

Mr. BOLAND. And this committee emasculated it down to \$175 million?

Mr. ROONEY. That is correct.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not also true that every year we have the same complaint we are having this year, and every year we follow the authorization in the bill. I think the authorizing committee, or some members of it, recognize it is left up to the Appropriations Committee to find some of the facts. What we are doing this year is no different than other years. You get a higher authorization than is necessary, and the committee that is charged with the responsibility of finding the facts find them and take that out. Is that not a matter of record?

Mr. ROONEY. I do not agree with the gentleman. I think the officials of the administration came before the subcommittee and fairly and concisely presented the best possible program for the coming fiscal year 1962 that it could. The gentleman has previously stated with regard to development grants that insofar as they are concerned there was no plan on the part of the administration for the use of \$130 million of these funds. The fact is, as was ably pointed out by the gentleman from Illinois [Mr. YATES], who read a page of the testimony, that they have information and books indicating in detail projects totaling \$193 million.

Mr. PASSMAN. The gentleman is my friend and I am his friend. Is it not the same fight we have every year? Is it not true we have had this same fight for the past 14 years on this foreign aid bill? Is there any difference?

Mr. ROONEY. No, I do not agree with the gentleman. I have served on this Committee on Foreign Aid for 14 years and I have never seen anything like what is going on this year. I must say that in all fairness. I served as No. 2 member to the gentleman from Virginia [Mr. GARY] and I cannot recall any such difficulties as we have had this year. I have served since the beginning of the Marshall plan and know that many of those dollars were very well spent. Time has proven this. If this administration is given the chance to do the job, with the right people, they will carry on and see that the taxpayer gets a fair show for every dollar that is appropriated in this program.

Incidentally, in this connection, let me point out to the members of the Committee of the Whole that it is a fact that 80 percent of every American dollar contained in this appropriation bill will be spent in the United States and with American citizens. That is the fact, is it not, may I ask the gentleman?

Mr. PASSMAN. No, I wish to disagree with the gentleman.

Mr. ROONEY. Was not that the testimony?

Mr. PASSMAN. I wish to disagree with the gentleman. It is not 80 percent, it is 100 percent; but those invoices are picked up and paid with the money of the taxpayers of the United States.

Mr. ROONEY. The idea is that eventually it will be 100 percent; it will all come back. I recall specifically asking the question with regard to how much of this money will be spent in the United States and for American products, and I was advised it was at least 80 percent.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PASSMAN. Mr. Chairman, I yield the gentleman from New York 5 additional minutes.

Will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I want to state it is 100 percent, not 80 percent. That was later cleared up in the committee, and I want it to be well understood that we pay those invoices with the money of the taxpayers of America, all the money ending up in the foreign recipient nations. If it is good for the American economy to appropriate \$5 billion, I would like to get together with the gentleman, and if it will make for that great prosperity, I can bring out a bill next year for \$8 billion, because I do like prosperity.

Mr. ROONEY. Mr. Chairman, in conclusion I would like to point out to the members of the Committee of the Whole that only today the Soviets have detonated a third nuclear device. These are hazardous times. These are not times when this House of Representatives in its responsibility should arrive at a figure on Thursday last and then come back on the following Tuesday and agree to a cut of \$896 million. I do not believe that this House of Representatives will use that kind of judgment. I am confident a good part of the funds will be restored to this bill.

Mr. Chairman, reference was made to the fact that everybody was happy with this bill. Let me read this morning's newspaper for the benefit of those who may have not read it. This statement has not been changed in the slightest up to this very moment:

Mr. Kennedy said he was "hopeful that the Congress will provide the funds necessary to fulfill the commitments it undertook in enacting this legislation."

Meaning the foreign aid authorization bill passed last Thursday and signed into law by the President on yesterday.

I am particularly concerned over the proposal in the pending bill which would drastically reduce, by over 22 percent, the amount authorized for supporting assistance. Such reduction would be contrary to our national security interests in the time of great and worsening crises.

The foreign aid legislation which the Congress enacted last week reflects our country's stern determination to strengthen the collective security efforts of ourselves and other free peoples and to stem the Communists' intensive drive to extend their influences and domination worldwide. But mere words are not

enough. We must translate this determination into vigorous and effective action. To deny ourselves the tools necessary to do this would be foolhardy and render our carefully considered action of last week an empty gesture. It would be a dangerous gamble—with our own national security the real stake.

Supporting assistance is one of the key tools for assuring that our vital foreign policy needs are met. It is the aid essential to meet those short-term requirements which are dictated primarily by interdependent political and military considerations. This assistance is addressed to four basic national security objectives:

First. It enables certain countries to continue to maintain military forces—greater than their own economy can possibly support—which defend against external aggression; contribute to regional defenses, and preserve their internal security;

Second. It enables our own country to maintain access to vital overseas bases;

Third. It enables preservation of stability in countries whose economic collapse would threaten U.S. political interests; and

Fourth. It provides countries with an alternative to Sino-Soviet bloc aid where complete dependence on such aid would destroy their independence.

Supporting assistance is generally comparable to the foreign aid programs carried on in recent years under the titles of "Defense Support" and "Special Assistance." The President requested a total of \$610 million for this purpose in fiscal year 1962, of which \$581 million was for new obligational authority. This request represented a reduction of more than \$200 million below the comparable programs of defense support and special assistance in the last fiscal year for the same 22 countries and 2 regional organizations to which such assistance is planned for fiscal year 1962.

The authorizing legislation we enacted last week reduced the President's request from \$581 million to \$515 million, \$465 million of new funds and \$50 million of carryover of unobligated balances of prior year funds. The Secretaries of State and Defense have voiced their grave concern over this reduction and emphasized the serious dangers which must inevitably result from any further cuts. The majority of the Appropriations Committee is now asking that we reduce this vital category to \$400 million—a slash of \$115 million. I cannot support any such reduction.

About two-thirds of the originally proposed supporting assistance amount was needed for eight countries on the immediate perimeter of the Sino-Soviet empire. These are Greece, Turkey, and Iran in the northeastern area; Pakistan in south Asia, and Thailand, Cambodia, Vietnam, and Korea in the Far East. Several of these are members of free world security alliances. Turkey and Greece are NATO members; Turkey, Pakistan, and Iran are in CENTO; and Pakistan and Thailand are in SEATO. These eight have been maintaining larger military forces than they can afford to support from their own resources.



Together they have more than 2 million men under arms. It is vital that they continue to maintain adequate military forces which contribute in important measure to our free world defenses.

The supporting assistance required for these eight countries alone amounts to approximately \$400 million. In addition to these, are the urgent requirements in the other 14 countries for which supporting assistance is needed to assure U.S. access to essential military bases and to prevent the absorption of weak nations into the Communist bloc through economic dependence.

This type of assistance in the past has succeeded in most cases in preventing the weakening and loss of free world countries. Overall, the line has been held. The cost of such assistance has, of course, been considerable, but it is clear that the costs of maintaining additional American military forces at home and abroad, of losing important bases, and of containing new intrusions of unfriendly forces would be much higher.

No one who is intelligently following the course of world events today would suggest that this is a time for us to reduce our efforts to maintain the military and economic strength of the free world. The recent Soviet actions regarding Berlin and the resumption of nuclear testing with three detonations are but two more manifestations of the clear intention of the Communists to proceed with their plan for world domination and of their supreme confidence in their ability to do so. Mr. Khrushchev has time and again made it clear that he does not believe we have the will to do what it takes—to fight or to make the necessary sacrifices.

The ability of our Government through the foreign aid program to combat the inroads of Communist economic and military penetration must not be impaired. I believe that any reduction in the amount authorized by this Congress just last week for supporting assistance would jeopardize this ability seriously.

The peoples of the free world are looking to us for leadership we must not fail them.

Mr. TABER. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, we have heard a great deal about what was in the bill and what was not in the bill. We have heard a great deal about the things and considerations that ought to be given to other countries. It has brought me to the point where I feel that it is my patriotic duty to say something for and on behalf of the United States and the American taxpayer in this situation.

Let me say to you that last Saturday morning I spent some time going over the Treasury statement for August 29. That statement showed that for the first 2 months, or one-sixth of a year, the expenditures out of the U.S. Treasury were \$18.7 billion. When that is multiplied by six, you get \$112 billion for the year. In other words, last year the budget estimate came within \$1 billion of being balanced.

This year, with the same revenues, it will run in the red at least \$30 billion. Now, does that make you think? Does it make you think you ought to have an

idea of what the situation of the United States is, and what we can afford to do? That means in my opinion that we must not go into the things that people have been unable to explain to us. I feel that is the situation. I am just going to refer for a minute to page 4 of the report. There in the amounts that are listed for the Far East, Near East, south Asia, for Africa, as well as for Europe—and that includes Yugoslavia—and for Latin America, you will find that provision is made for practically all of those countries.

I do not believe there is anything left. You will find that the rest of the items contained in the bill were fixed upon that kind of approach to the bill. We provided for things that needed to be done, and we were very liberal, too liberal, in fact, with all of them. I wonder if this country is ever going to come to and realize what its own situation is and protect the people of the United States, and cut out trying to do things that we cannot afford to do. In my opinion we cannot afford to spend money where the parties asking for it do not know how to explain it. I hope that the Congress will wake up.

Mr. Chairman, I yield the balance of the time on this side to the gentleman from New York [Mr. BARRY].

(Mr. BARRY asked and was given permission to revise and extend his remarks.)

Mr. BARRY. Mr. Chairman, it is always difficult to rise after my colleague from New York [Mr. TABER] has spoken. And it is with great regret that I must in this instance differ with him in regard to the foreign aid bill this year.

First of all we have heard from our distinguished colleague from Ohio [Mrs. BOLTON], and from the subcommittee chairman, the gentleman from Illinois [Mr. O'HARA], who told us of the absolute essentiality of restoring the cuts on development grants at this time.

With regard to the \$300 million restoration for military assistance, an amendment for which will be offered by the gentleman from Michigan [Mr. FORD] I do not believe I would be telling any secrets to say to you that the Committee on Foreign Affairs went back to some of our commanders in farflung areas of the world, such as our NATO commander, and asked them to submit a revised budget of what they could do under different circumstances. This was done. Cuts have already been made and we have been pled with by some of our commanders, including our NATO commander not to reduce these any further amount. And when I say a further amount, that budget was based on \$1,885 million for military assistance, not the \$1.6 billion which will be the case if the amendment of the gentleman from Michigan [Mr. FORD] survives; and certainly not the \$1.3 billion which is in the bill before us at the present time.

With regard to the development loan aspects we have heard that these are not loans, but I submit that this entire program of foreign aid is one where we have to learn to crawl before we walk and, of course, before we run. And certainly we have just crawled. Now we are

changing our loan program from repayment in soft currency to one in hard currency. We now have to find a way to extend for 10 years in certain areas the first payment to be paid in hard currency. Maybe in the future we will be able to make loans where there is repayment in a much shorter time than 10 years.

I suggest this entire program deserves the earnest consideration of all of you, and that we should restore some of the cuts we have heard about this afternoon.

Mr. PASSMAN. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I have asked for this time in order to ask a question, for information, of the distinguished chairman of the subcommittee. I should like to know the overall total of educational items included in the pending appropriation and, if the chairman can do so, I would appreciate it if he would give us a breakdown in as much detail as possible.

Mr. PASSMAN. I should like to refer the gentleman to page 358 of the hearings, volume II:

#### AID PROGRAMS OF EDUCATIONAL ASSISTANCE

Proposed activities in the field of educational assistance under the act for International Development are listed below by country with indication of costs in fiscal year 1961 and projected continuing costs for fiscal year 1962.

This is itemized by countries, and because it covers most of the nations of the world I should like to give these figures to the gentleman by regions. Then he can refer to the page which I have just mentioned for more detail. The total for Africa is \$45,519,000; the Far East, \$12,908,000; the Near East, \$7,038,000; south Asia, \$15,717,000; and Europe, \$2,070,000. The grand total is \$83,252,000.

Mr. BAILEY. I should like to make the observation if at some time in the future you do have to consider again a general education bill, it is my considered hope that you will be as kindly disposed to the boys and girls of America as you are to the boys and girls of the rest of the world.

Mr. PASSMAN. I am sure the gentleman is referring to the House.

Mr. Chairman, I yield to the distinguished former chairman of this committee, the gentleman from Virginia [Mr. GARY], my remaining time.

The CHAIRMAN. The gentleman from Virginia is recognized for 30 minutes.

(Mr. GARY asked and was given permission to revise and extend his remarks.)

Mr. GARY. Mr. Chairman, we do not face an unusual situation here today. This is the 13th year it has been my privilege to serve on this committee. I have served through many vicissitudes any many emergencies.

We are told of the great emergency we face at the present time. I can assure you that under no circumstances would I minimize that emergency. It is a great emergency. But we have faced an emergency every single time a foreign aid bill has come before this House dur-



ing the past 13th years to my certain knowledge.

First England was about to collapse, and we had to go to help England. Second it was Greece and Turkey. They were in dire circumstances, and we went to their help. Then came the voting in Italy, and we were told that Italy was certainly going to embrace communism. We had to save Italy. We were told that if one of these countries went down all the rest of the countries of Europe would go down like blocks of dominoes, and I agreed. Then came the airlift. Certainly we have faced no more serious emergency in America than when the Russians closed off the traffic into Berlin.

In my judgment, one of the greatest feats in all history was the supplying of the city of Berlin by airlift. Then came the Korean war. Then the Cuban situation. And, I might go on. But we have faced emergency after emergency practically every year that this bill has been under consideration.

Mr. PASSMAN. If the distinguished gentleman will yield so that we might have a record of these emergencies in the RECORD, you remember the bombing of Matsu and Quemoy. You remember the bombing of the islands in the Pacific and the Taipeh incident.

You remember the incident in Latin America of the spitting on Vice President Nixon and Mrs. Nixon.

You remember the Jim Hagerty incident in Japan.

I am sure you remember the Russian Sputnik incident with Khrushchev canceling the invitation to President Eisenhower to visit Russia.

Of course, you remember the insult to our great President in Paris.

Then came the incident of the landing of troops in Lebanon. Then there was the incident of the unidentified submarine lurking off the east coast.

Now, of course, we have the Berlin crisis.

So, you see, there has been crisis after crisis, one after another, for years and years and there will continue to be such crises in all probability. While we should not discount them, we should not let them panic us into giving away the wealth of this country.

Mr. GARY. These emergencies will continue just so long as the Communists can stir up trouble throughout the world. If it is settled in one place, we can rest assured they will work night and day to find other places where they can create emergencies to embarrass and harass us. In fact, it may be a part of the strategy which has been proclaimed from time to time, that they will cause our country to spend itself into bankruptcy so that they will take us over without firing a single shot.

Mr. Chairman, I want to say this is a difficult bill to handle. I had the privilege of handling it as chairman for 4 years. We have been told, to my certain knowledge, every year for the past 10 years when we cut this bill, that we were wrecking the program. Yet, during the 13 years of the foreign aid program, we have succeeded in spending \$106 billion and the program is still going strong.

I think you will agree that we have not at any time wrecked this program by the cuts that have been made by the Congress upon the recommendation of our committee.

In addition to that, notwithstanding the cuts we have made, we have had the Comptroller General of the United States appear before our committee time and again, and the Comptroller General is reviewing these programs all over the world and is auditing the accounts, and his statement time and again before our committee has been that the greatest trouble with the program has been that they have had too much money to spend.

Mr. PASSMAN. Is it not also true that some of the executive branch witnesses have indicated that we made a better program by the reductions that we made?

Mr. GARY. They have so stated from time to time.

Mr. Chairman, we have differences of opinion on our own committee. There are those who do not think we should give 1 penny to foreign aid. On the other hand, there are those who feel we should give every penny requested without questioning any expenditures.

Mr. HAYS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting]. One hundred and eighteen Members are present, a quorum.

Mr. GARY. Mr. Chairman, as I was saying, there are many differences of opinion within our own committee. During the years I have not agreed with those who feel that the foreign aid program is a giveaway program. I consider it a part of our national defense. But, I have been one of those who has tried to keep it within due bounds and to place it in its proper place in our entire defense program, because if we spend ourselves into bankruptcy, then we cannot defend ourselves.

I want to say to you, that in my judgment, the chairman of our committee, the gentleman from Louisiana [Mr. PASSMAN], is one of the most efficient chairman in the entire Congress of the United States. I do not believe that there is any Member of the Congress who comes before this body better informed, better prepared, with more actual facts, or who spends as much time in ascertaining the facts. He has traveled the world over in order to get information firsthand. He studies day and night, and I know that from my personal knowledge, because he has called me at various hours of the day and night to discuss various problems with which he was wrestling. He has done an excellent job in following this program and trying to make it a successful program and at the same time keep it within reasonable limits.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Alabama.

Mr. ANDREWS. I want to join in the tribute that the gentleman from Virginia paid to the gentleman from Louisiana. I have served on the committee for 4 years, and I have never served with a

chairman who knew his subject matter better than the gentleman from Louisiana.

Mr. GARY. Time and again when we have been told on this floor that we were wrecking this program, they could not convince this House of that fact because he had the facts and was prepared to answer the charges.

Now, in connection with the world situation we have before us today, I want to say that I sympathize with the President of the United States. My heart goes out to him. He stepped into the Presidency in one of the most difficult periods in all history. I have the very highest regard for the President. It was my privilege to serve with him here in the House of Representatives. I worked with him on several bills here in the House in which we were mutually interested. I always found him intelligent, resourceful, and in every instance measuring up to his responsibility and to the demands of the occasion. He has had a difficult situation to face. In my judgment thus far he has handled it admirably well.

We were told today that we should listen to the people downtown; and I agree with that, but the President of the United States cannot handle this position alone. The Presidency is such a job today that no man living can handle it alone; he needs help, and the help of the Congress of the United States. He has appointed some very brilliant, able, and conscientious aids to assist him in his work, and I think they are doing a conscientious and efficient job; they are doing the very best they can under difficult circumstances. But, Mr. Chairman, most of them have been in office now about 8 months. There are Members of the Congress who have been here for many years, and they have the experience which some of the new administrators lack. This experience fortunately is available to the administration.

In my humble judgment, and I think I have made the statement on this floor several times before, but I make it again, in my judgment, one of the greatest documents ever penned by man is the Constitution of the United States of America; and I think the creation of three separate and independent but coordinate branches of the Government is one of the basic and most important provisions of that instrument. We have the administrative branch, the legislative branch, and the judicial branch. Each has its special functions to perform but they are all of equal dignity. However, unless there is cooperation, unless there is coordination of activity, we will not continue with the success in this country we have had in the past.

I understand that one of the people downtown said the other day when discussing this bill: "We ought not to have to go up and hassle with the Congress every year in order to obtain this money." Hassle. Is that what we are doing up here? Mr. Chairman, I have seen no hassling. What I have seen is a very serious inquiry into these matters and an exchange of ideas; and that is as it should be.



I know it is difficult for college professors to have to talk with Members of Congress and ask them for advice, because they are used to the classroom where they are master and tell the students what to do, and they are accustomed to giving rather than receiving instruction. But you cannot handle the Congress that way. However, if they will come prepared for a mutual exchange of ideas then we can reach settlements that will be to the best interest of the United States of America.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I believe the distinguished gentleman from Virginia has served on this subcommittee for 14 years, 4 years as chairman. It has been my privilege to serve 7 years as chairman. The gentleman from New York served 3 years. That is a total of 14 years. Is it not true that without exception during these 14 years we have had the same type of resistance we are having in this instance?

Mr. GARY. What the gentleman is stating is absolutely correct.

Mr. PASSMAN. And is it not true that in the past I have discussed this matter with you as former chairman, that I also discussed it with the ranking minority member, the gentleman from New York, and after we have reached some tentative agreement we usually put in some extra money in order that there will be no question about there being sufficient funds?

Mr. GARY. I will say to the gentleman that is true, that the chairman of our committee has sought information and assistance everywhere he could find it, and he has tried to be eminently fair in handling the work of our committee.

Mr. PASSMAN. Is it not also true that I have been flexible? Where there has been an indication that maybe they needed more money, I would give them more money, but still we have been criticised for cutting the bill? Every year we have overfunded the bill.

Mr. GARY. The gentleman is correct. In this particular instance I am delighted that the gentleman has, in an effort to be fair, decided to increase military assistance.

Mr. PASSMAN. Is it not true this is the largest request for foreign aid funds we have had in 7 years?

Mr. GARY. Certainly it is the largest.

Mr. PASSMAN. Does the gentleman feel that this program is sufficiently financed with our recommendations?

Mr. GARY. With the increase the gentleman has suggested, I think it is ample.

Mr. PASSMAN. I thank the gentleman.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. May I say that last year the committee, headed by the gentleman from Louisiana, cut the Foreign Aid authorization by \$699 million, but before the year was up 60 percent of the \$699 million cut was restored. \$200 mil-

lion was restored on the floor in military assistance, \$65 million was restored in a supplemental appropriation bill in defense support, \$100 million was provided for the Congo, and \$50 million was restored to the Development Loan Fund, making a total of \$415 million of the cut being restored before the year was out.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I am inclined to keep this on the basis where we can compliment each other. But look closely at this bill; you will not the reappropriated unobligated funds of \$50 million plus an additional \$100 million available from deobligated or dereserved funds. That brings it up to \$150 million. The bill recommends the new obligational authority of \$1,300 million, to make a grand total of \$1,450 million.

Mr. GARY. That is correct. But may I say in answer to the distinguished chairman of the Committee on Foreign Affairs that he has advanced the very best argument that can be advanced before this House for not adding any additional money to the bill. That is, if you have an emergency that demands more money, this Congress can meet and appropriate that money at any time.

Mr. MORGAN. I think it is unrealistic to make a massive cut when we face the conditions in the world that we face now. It is not realistic to try to operate on a piecemeal basis especially when it will create urgent deficits as we go along. I think if we need the money we should appropriate it at the present time and not by a series of inadequate amounts.

Mr. GARY. I do not think you need it at the present time. We are told about an emergency that might arise. If it does arise then we can take care of the emergency.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I think the gentleman understands it would be a lot easier, a lot less agony, if we simply gave the people downtown all the money they request. I certainly would be in better favor in certain quarters if I could overlook facts. I am sure the gentleman agrees with that. We try to do what the American people expect the Congress to do, and that is to recommend essential and adequate amounts but not rubberstamp the requests.

Is it not true that during the past 6 years the Congress in its wisdom has reduced the executive requests for this program by \$5,400 million but, even after making those substantial reductions during the same 6 years, the aggregate total of unobligated funds amounted to \$1,006,653,000?

The administration, past, present and future, would be no different than an individual—the more money they have, the more money they will spend. So, it is a serious mistake to overfund programs.

Does the gentleman from Virginia agree with that statement?

Mr. GARY. I agree thoroughly with that statement.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I gladly yield to the gentleman from Minnesota.

Mr. JUDD. Does not the statement by the gentleman from Louisiana [Mr. PASSMAN] show that there is no recklessness or waste in appropriating the amount of funds authorized, because, when they have not been able to use them soundly, they did not spend them foolishly; instead they allowed them to remain as unobligated or unexpended balances? In the kind of world in which we live, I would rather err, if one is to err, on the side of providing more rather than less. We know that if the funds are not needed they will not be used. Therefore, there is no danger in our adding the additional funds requested and authorized, according to the statement made by the gentleman from Louisiana [Mr. PASSMAN] and the gentleman from Virginia themselves.

Mr. PASSMAN. If the distinguished gentleman will yield further, I have a very high regard for the very able gentleman from Minnesota [Mr. JUDD], but in a reprint from the Reader's Digest, on page 5 of a recent issue, the gentleman says this, and with his permission I should like to quote:

Says Representative JUDD: "We are doing too many things, and we are trying to do them too fast. In countries that are hanging by a thread, why not simplify the program to essentials? If the country makes headway in 5 years, then we can proceed with more elaborate developments. The immediate need is for basic programs. Too much beyond that only scatters our efforts, complicates our operations, and confuses the people."

Is the gentleman from Louisiana quoting the gentleman from Minnesota correctly?

Mr. JUDD. The gentleman is. That is a part of a statement I made here in the House of Representatives in 1956. I think the members of my committee will testify that I have been trying my best all these years, every step of the way, to cut out waste and reduce this program to simpler terms.

Mr. PASSMAN. I am complimenting the gentleman.

Mr. JUDD. Thank you. Therefore, I trust that you will do the right thing and provide the funds authorized. There is no risk that way, and greater assurance of success.

Mr. PASSMAN. I am quoting from the statement in the Reader's Digest of May 1961.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Ohio.

Mr. HAYS. I have not written articles for the Reader's Digest, so there are not any quotations from those articles. However, I would like to make this point: I sit on the Committee on House Administration, and have for a good many years. We have a principle there that when a chairman comes in and asks for money to run his committee—and many of them ask for as much as \$1 million a



year for one of the committees—if he has been a chairman who has been careful and who has turned money back, he is more likely to get the \$1 million than if he spent every dime he got every year, and has been escalating the figure.

Mr. Chairman, it seems to me that in all sincerity the statement by the gentleman from Louisiana [Mr. PASSMAN] does put a premium on getting rid of money. He says, "We gave you so much, and you did not use it." I do not think you ought to put a premium on the getting rid of it. I think if they did not use it you ought to give them a little pat on the back and say "This looks as if this fellow has used a little judgment, and we can give him what he asked for this year, knowing this background information."

Mr. GARY. I agree with the gentleman from Ohio, but I also agree that is one of the things that the Congress is here for—to determine what is needed and to try to get at what is needed. When we give the departments more than is needed then the Congress has erred in its responsibility.

Mr. PASSMAN. If the gentleman will yield further. What does the gentleman think would have happened had this Congress recommended the \$4.5 billion that we took out of the bill in past years? Can the gentleman envisage how many more programs might have been started throughout the world which we did not need that would call for possibly billions more in the future?

Mr. GARY. Mr. Chairman, let me say this: This illustrates the remark that I made at the beginning. This is a difficult bill. The views of the members of our committee, the views of the Members of the Congress and the views of the people of the United States differ widely on this program. There are people who do not want to give one penny to this program, there are those who would give every penny requested. I personally am one of those who has tried through the years to be reasonable and fair. I think that this bill, when the amendment which the chairman has said he will offer is added, will be a fair and reasonable bill, and I trust that the Members of this House will accept it and that we will vote these amendments down and go home in the not too distant future.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 2, line 7:

"ECONOMIC ASSISTANCE

"Development loans: For expenses authorized by section 202(a), \$1,025,000,000, to remain available until expended."

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE, of Massachusetts: On page 2, line 9, strike out "\$1,025,000,000" and insert in lieu thereof "\$1,200,000,000."

Mr. CONTE. Mr. Chairman, I hope this amendment will be adopted. I shall not trespass upon the patience of the House. I think I explained this amendment in the general remarks I made today on the bill. I feel that in

this great debate that took place here on the authorization bill during the past 2 weeks many of us who took the case against Treasury financing stated to the Members of the House of Representatives that if we had a bill with a long-time authorization and annual appropriations we were sure that the Committee on Appropriations of this House would be a responsible committee, a responsible agent of the House, and would report back a bill to the House with the money requested by the Congress.

Furthermore, Mr. Chairman, the gentleman from California [Mr. SAUND] offered an amendment in the House for \$1.2 billion for the Development Loan Fund. That amendment carried by an overwhelming majority. Then the bill went over to the Senate and after the conference it came out with a long-term authorization and an annual appropriation of \$1.2 billion. Only last Thursday, Mr. Chairman, the House of Representatives voted on that conference report by a vote of 260 to 132.

I think if we do anything but give \$1.2 billion this year to the Development Loan Fund we will be indifferent and irresponsible toward the statements we made here and the votes taken here in the House. I think that the dignity of the House is at stake, the responsibility of the House and of the Committee on Appropriations is at stake here. I say to the House let us give them the \$1.2 billion this year. They have shown in their justifications that they need \$1.2 billion. They have shown that they need more than \$1.2 billion in order to meet our commitments to the free world.

If these funds are abused, if they are mismanaged during this year, then next year when they come up before the Committee on Appropriations we can cut those funds. But this year we ought to demonstrate to the people of the United States, to the people of the free world, that we will stand by our word, therefore we ought to vote the entire \$1.2 billion.

I hope this amendment will carry.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we are dealing here with classified material, but I have this document which any Member of this House is privileged to see. The item under discussion, "Development credits," is a successor to the Development Loan Fund. The most that this House has ever appropriated in the past for this particular item is \$600 million. So far as actual justification before the committee is concerned, they justified only \$700 million. I might mention there is \$500 million for India, \$100 million for Brazil, and \$100 million for Pakistan. Those are minimum amounts. If we take the low scale on this chart—it is classified and I cannot put it in the RECORD—the total is \$990 million. It was agreed that \$990 million was all the money that they needed for a 1-year program, and that is provided that the recipient nations meet the legislative criteria.

So we are very definitely overfunding this program. It is 70 percent more than we had in previous years. That is one

disadvantage we have, that so much of the information is classified. Those who might question my statement will please come to the desk and you will ascertain for yourselves that even if we were operating on a full-year basis, on the minimum established, it would require only \$990 million. When it was suggested we limit this appropriation to \$990 million, I asked the committee if they would support me so I could bring out a bill that is greater than the amount they justified before the committee.

In addition, one quarter of the year will have elapsed even before this bill is signed. So again we are being generous. In addition, keep in mind the \$500 million provided for Latin America earlier this year. That would, on a replacement basis, reduce the request of the old Development Loan Fund to \$425 million. And there is the \$600 million for development loans under the Export-Import Bank. This particular item is probably the most overfunded item in the bill.

I trust you will vote down the amendment.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, perhaps all of the concrete facts and figures given by my friend, the gentleman from Louisiana, are correct. I freely grant that this cut in funds for loans will probably be less crippling to the actual operations of the development programs in the remainder of this fiscal year than some of the other cuts which will be dealt with later—if one considers only the construction of fertilizer plants, roads, industrial mills, and so on.

But psychologically, this cut may be more damaging than any other reduction except perhaps the one for military assistance. What is involved here is a matter of principle. Will the Congress prove itself responsible?

Earlier, some have asked, Why are so many nations uncommitted? One reason is because they read what is said about them in the debates on the floor of the House, and because they see that sometimes the Congress does not prove itself wholly dependable. If I were of another country, I would have some doubts about the steadfastness of the United States and the House of Representatives itself, after witnessing our reversals on occasion. That is an awfully hard thing to say.

Last week we came back from a conference with the Senate when the Representatives, three Democrats and two Republicans, of this body stood their ground unitedly against the conferees of the other body on this very point. When the Senators said:

Whatever figure we adopt as authorization, the House will cut below it. If we make it the full \$1.9 billion, they will go below it. And if we make it only \$800 million, they will cut below that.

We said:

That is not so. We are setting up a different program for long-term lending in which we accept responsibility for authorizing the Executive to negotiate agreements with conditional commitments, and then submit them to us for us to approve or reject, just as the Executive negotiates and signs a treaty and submits it to the Senate for ratification.



But what the House is doing here, before the Executive has a chance to work out the agreements, is to cut the funds below the amounts authorized. Such action is bound to raise questions in the minds of other countries.

Only last Thursday we provided that the Executive could negotiate agreements and submit them to the Appropriations Committees which would review them and vote them up or down on the basis of their merits or lack of merits. Last Thursday we voted almost 2-to-1 for such a program. Now the committee cuts down the funds authorized, before the Executive has had opportunity to make plans and negotiate agreements to use the funds. If we make available \$1.2 billion, as the amendment would provide, it may well be that no more than \$1 billion will be loaned this year because 2 months of it already are gone. No tangible harm may result from the committee's cut, but psychologically it is seriously damaging to our position of leadership.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Massachusetts.

Mr. CONTE. I should like to point out to the House in regard to the statement of the gentleman from Louisiana [Mr. PASSMAN] about justifying only \$900 million. He ignores the fact that the testimony repeatedly refers to the fact that on pages 269, 803, 804, 886, 887, of the hearings Frank Coffin, of the Development Loan Fund agency, stated he needed \$800 million for India, Pakistan, and Brazil. He needed another \$300 to \$400 million for 10 countries in the Middle East and Far East. Then there were 30 or 40 additional countries who have applications for loans amounting to \$300 million. This figure of \$1.2 billion is a conservative figure.

Mr. JUDD. I thank the gentleman. We have been saying all these years that we cannot get development by hand-to-mouth programs. All of us are in agreement that when aid has been given for 1 year at a time, more of it has been wasted. Now we are trying to develop a system where we can give our own Government and recipient countries a little certainty. We voted last Thursday to give the Executive continuity in the handling of long-range developments while keeping in the hands of the Congress its proper responsibility for the final say on how much shall be loaned and for what projects. That is the kind of program that has the best chance of success, and it is the kind of program where we can use our taxpayers' funds most efficiently and most economically. I believe you should do today what a large majority of you voted for in the Saund amendment. Give them \$1,200 million this year. Each agreement has to come to the Committee on Appropriations and to the Congress to be examined. It will not go into effect if we disapproved. So I see no danger whatsoever in making \$1,200 million available. I see a lot of danger for us, right after we have told the people of the world that they can count on us, to show the world that apparently they

cannot count on us. There is far more involved here than money.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Where are you going to spend this money? Will the gentleman please look at this confidential, classified statement? Tell the committee where you are going to spend the money. If they want \$990 million for a full year, and that is the minimum, and you are familiar with this, where can they spend \$1,025 million? We have brought in a bill and we fattened it up for you and we are giving you more than you need. Now you are not even satisfied with that. I cannot understand the gentleman's argument. Have you checked this statement?

Mr. JUDD. I am aware of the plans already proposed. If they cannot find good places or ways to spend the full amount, they will not spend it. You will have a chance to pass on each agreement that they enter into.

Mr. PASSMAN. No, we do not have that opportunity.

Mr. JUDD. If they do not need all the money, it will not be drawn out of the Treasury. But, to provide the full amount is to tell the world—our enemies, our friends, and those on the fence—that the American Congress is and will be responsible. I think that is a rather important consideration, with the third atomic weapon just having been detonated.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I talked to my colleagues a little while ago about the necessity of waking up and realizing our responsibilities to the United States of America. Anyone who feels that we should throw caution to the winds when it comes to meeting our own problems and who believes that we should vote to give the department more money than they say they can use intelligently, is not living up to his responsibility to the people of the United States of America. When you have something like that before you, if the Congress of the United States does not assert itself and do what we really ought to do—and that is to change that \$1,025 million to \$990 million, then we are going to be irresponsible and not meet our responsibilities and it will be just too bad. We will never be able to pull the United States out of the kind of mess that we are now in. The only way we can survive is by being prudent and careful and honest in our approach to these problems. If the Congress of the United States does not vote on the recommendation of the Committee on Appropriations to give these people what they say they need rather than to what they kind of imagine they would like to get their fingers on, then we will not be meeting our responsibility at all. If the chairman had not been exceedingly liberal—as a matter of fact, if the chairman had not been altogether too liberal in view of our situation and in view of our responsibilities, it would be better. But, the chairman having voted that far, it is absolutely ridiculous if we

allow the entire \$1,200 million to be appropriated when there is no need for it and no reason to do it except to satisfy some kind of whim of some fellows downstairs who did not seem to be able to prove and protect their own estimates.

Mr. Chairman, I hope this amendment is defeated.

Mr. McDOWELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have listened all afternoon to the distinguished chairman of the Subcommittee on Appropriations, the gentleman from Louisiana [Mr. PASSMAN] quoting statistics; in fact, I think he must have worn out several adding machines during the afternoon. He has talked about obligated funds, unobligated funds, deobligated funds, and I am sure that many of the Members are just as confused today at this point as I am. I think that is his main objective, as a matter of fact, to so confuse the Members that they are not exactly sure where they stand at this point and how they are going to vote on these amendments.

Now, most of the opponents who have spoken so far this afternoon are those who have opposed foreign aid over many years. They have not changed their position, and I compliment them for being so steadfastly sure that foreign aid with sufficient funds over the past years and at this time are not necessary for the internal security and the best interests of this country. But, I do not happen to agree with them. I did not agree with them last year or the year before; I do not agree with them this year. For all of the arguments heard this afternoon, the fact remains that in the proposals of the Subcommittee on Appropriations in cutting this foreign aid appropriation, they are in many instances, and in most instances, cutting funds double the amount that was given heretofore to past administrations. I do not think there is any justification for that. It has been pointed out here that in this administration there has not been time of even testing its possibility of accomplishment. This would be entirely premature and premature judgment to say that a new administration should not be given the tools which it has declared are necessary for them to adequately carry out the foreign policy of this country at a time when certainly we are in much more dire circumstances than we have been at any time in the last 10 years.

Mr. Chairman, I hope the Members will consider carefully their votes before they go along with those who would never have given this country a foreign aid program in the very beginning and who would be very much in favor, apparently, of discontinuing the foreign aid program at a time when every single responsible member of the Government of this country has testified time and time again before more than one committee of this body and in the other body that in their considered judgment this program is necessary; necessary in the amounts that have been recommended to the House by the Committee on Foreign Affairs in the authorization bill.



Mr. Chairman, the United States cannot fight communism with hackneyed phrases and attitudes, and statistics that do not square with the times nor in any way deter the advance of the totalitarian schemers in Russia and Communist China.

The United States cannot fight communism by disarming the President, who has full public and constitutional responsibility for the conduct of foreign policy, and by providing him only with foreign aid appropriations on an installment basis and in dribbles.

The United States cannot fight communism by standing by and observing a feud between the Congress, and the entire executive branch of our National Government. It is of fundamental importance at this serious hour in our history and world relations that the Congress provide the appropriate administrative mechanisms and finances to the President so that the United States can effectively foster, encourage, and support freedom for those millions of peoples who choose to stand with us and work with us for liberty, peace, and economic well being. Certainly, these are the gains and benefits that greatly overshadow the bombastic and irrational arguments of a few in and out of the Congress who would gut and destroy our very ability to arm the United States and her allies.

I quote as part of my remarks an editorial and a news article from the Washington, D.C., Post:

#### SAVING FOREIGN AID

The most important business before Congress is the rescue of the foreign aid program that Congress already has authorized from the drastic surgery of the House Appropriations Committee.

Most unaccountable of all the cuts in the authorized program are those made in the appropriations for development loans and grants. The Appropriations Committee seemed bent on demonstrating the validity of the arguments which the administration made for financing these programs by Treasury lending instead of annual appropriations. Appropriations for development loans were cut from \$1,200 million to \$1,025 million, or a total of \$175 million, or 15 percent; those for development grants were reduced from \$380 million to \$259 million, or 32 percent.

The committee explains the \$175 million cut in the loan program by suggesting that no more countries will be able to qualify than the 13 who can be provided for by the reduced appropriation. In its testimony before the committee the administration carefully explained that the countries involved are in three categories. The first includes India, Pakistan and Brazil to whom conditional commitments already have been made. The second category includes 10 countries where the requirements were sufficiently well established to justify an approximation to the committee. The committee report treats these known requirements as the limit of the program and takes the view that this is the extent of need. The administration was careful to point out in testimony that there are 22 additional countries that have applications for development loan funds amounting to \$300 million, and all told there are perhaps some 40 countries beyond the 13, for which funds will be required in the 1962 fiscal year. The commitments to Pakistan and India, made in concert with other powers, are hard to touch; those to Brazil almost inescapable under

present foreign policy. The loan program can be kept to the Appropriations Committee figure only by very uncomfortable and dangerous changes in Asia or by equally disastrous retreats from planned steps in South America and elsewhere.

The committee seems to have misread or misunderstood the case which the executive department has made for the development loan appropriations. One cannot believe that in a time of such national peril either the chairman of the subcommittee, Congressman OTTO PASSMAN, or the chairman of the Appropriations Committee, Congressman CLARENCE CANNON, would wilfully and deliberately misrepresent the amounts earmarked for the 13 programs already in final form as the total requirements for the 53 countries, or even more, who are likely to need help out of these appropriations.

This is a reduction that must be attributed to honest error or sincere misunderstanding and surely the members of the committee themselves will wish to have the amounts altered in the House itself once this misconception is called to their attention. They are all honorable men and whatever their views on foreign aid they cannot wish to have the House, and the whole Congress, take a fateful step that may jeopardize our position abroad on a plain misconception of the administration's presentation.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. McDOWELL. I yield to the gentleman from Virginia.

Mr. GARY. I hope the gentleman was not referring to me when he was speaking against those who would never have given us a foreign-aid program. I was for this program long before the gentleman ever came to the Congress. I supported it on the floor. I fought for it in the most difficult days when it was just being started, and certainly I want the gentleman to make it absolutely plain that he was not referring to me in that list.

Mr. McDOWELL. I certainly was not referring to the gentleman. I am glad to note his past support. I am sorry that he has indicated he is not supporting the program at this time.

Mr. GARY. I am supporting it now. I am supporting the committee bill which I think is a reasonable program.

Mr. McDOWELL. Well, we all have the right to say what we think is reasonable.

Mr. GARY. Each person has his own ideas as to what is reasonable.

Mr. McDOWELL. I would not for one moment question anybody's judgment on this point.

Mr. GARY. I am not insisting my judgment is right, but I certainly did not want the gentleman to infer that I was against the program, because it is not true.

Mr. McDOWELL. I would be glad to withdraw any such suggestion, because it was not my intention to leave any such implication as to the position of the gentleman from Virginia.

Mr. Chairman, it is sometimes alleged that mutual security requirements annually are overstated and that the inflated character of mutual security program budget estimates is made evident by the appreciable amounts of unexpended balances remaining at the close of each fiscal year. It is also sometimes

alleged that the existence of these unexpended balances precludes the necessity for additional new obligational authority.

Recently, a statement was prepared within the legislative branch—undoubtedly based upon data supplied by ICA—which listed the estimated unexpended balances at the close of fiscal year 1961, totaling \$5.443 million. The existence of unexpended balances at the end of a fiscal year is entirely a normal phenomenon and the foreign assistance program is not unique in this respect. Such balances are common throughout the Government. With respect to the mutual security program estimate of unliquidated obligations mentioned above, one should note that these funds were approximately 98 percent obligated at the end of the year and thus only about \$150 million could be made available for new obligational activity.

The existence of unpaid obligations is inevitable. Obligation and expenditure, of course, do not occur simultaneously in a typical fiscal transaction. Generally speaking, an obligation exists when an order is placed for goods or services or when a contract is negotiated.

Expenditures are made only after the goods or the services are delivered. In some cases, such as, for example, a contract for a large construction project or for the fabrication of capital type equipment, the intervening time period could be 2 years or more. A lag between obligations and expenditures, commonly called the pipeline, generally exists in all types of Government operations and private commercial businesses. This pipeline cannot be eliminated without disrupting program operations through the discontinuance of an orderly flow of goods or services.

The statement referred to above compared the \$5,443 million unexpended balances at the close of fiscal year 1961 with an unexpended amount at the end of fiscal year 1960 of \$4,714 million, thus, indicating an increase of \$729 million in the level of unexpended balances during the past fiscal year. While there was a rise in this balance during 1961, it should be noted that the comparison mentioned above is not entirely valid. The fiscal year 1961 figure included both unliquidated obligations and unobligated balances, while the 1960 figure represented unliquidated obligations only and excluded an unobligated balance. If unobligated balances were to be eliminated from the fiscal year 1961 in order to relate comparable figures, an increase of \$611 million is involved.

This increase in unexpended balances can be explained. Such balances necessarily are greater in those appropriations of which a substantial portion is used for capital type projects, than in those accounts which preponderantly are used to finance operational expenses, consumables and the like.

The greater portion of the increase in the level of the pipeline during fiscal year 1961 occurred in the development lending segment of the program, and, we believe, is wholly justifiable. To begin with, the DLF is a relatively new ac-



tivity. Its operations have steadily expanded since its inception in fiscal year 1958; and its unexpended balances necessarily have followed the same upward trend. This is a natural development for the following reasons: One, obligations are established as loans are approved; but expenditures occur only as increments of the loan are drawn down by the borrowers; two, the activities for which loans are made consist largely of construction projects for which obligations are required considerably in advance of payments; three, loans often are utilized by borrowers in conjunction with, and as a supplement to, their own funds, in which case, the borrowers tend to apply their own funds first, in order to minimize interest liability, thus deferring the drawdown of approved loans until their own resources have been used—without the U.S. loan commitment; however, the borrower would not initiate the project nor invest equity capital.

A sizable portion of the remaining part of the increase in unexpended balances during fiscal year 1961 was experienced in the military assistance program and is attributable primarily to the fact that the pipeline at the close of fiscal year 1960 was dangerously low and an increase in new obligational authority was appropriated in fiscal year 1961 in order that deliveries of such equipment could be made as required. Such procurement requires a large leadtime because of the nature of the equipment involved.

It should be noted that in 1953 the overall unexpended balance for mutual security programs amounted to \$10.1 billion as compared with roughly half that amount at the close of fiscal year 1961. Considerable effort has been devoted during these years to reducing the lag between obligation and expenditures to the smallest practical time. It is believed that these lags have now been reduced to the minimum and that such balances reflect a normal leadtime between obligation and disbursement. The foreign assistance program—particularly the development lending activity—includes a much greater proportion of capital type financing than do many other appropriations such as those for the operation of the Treasury, the Civil Service Commission, and so forth. Even so, the House Committee on Foreign Affairs determined and reported—Report No. 851, August 4, 1961—as follows:

Considering the magnitude of the program and its global character, the committee believes that the fiscal side of the mutual security program compares favorably with that of other Government agencies. In many cases it is considerably better.

The CHAIRMAN. The time of the gentleman from Delaware has expired.

(Mr. McDOWELL asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, lest anyone believe that the amount which is set forth in the appropriation bill for the development loan category is niggardly, let me point out to you that this \$425 million grant is an increase of some 70 percent

over the amount which was made available last year, and this disregards the amount which was voted for the Latin American program last year; so this is a very large increase in the development loan category.

I think also it might be well to review very briefly the function of the appropriation process here. We have had speakers in the well of the House indicate that perhaps the legislative committee felt when it reported out its bill that the \$1,200 million authorized in this category was a floor. I submit to the members of the committee that it could not have been a floor, that it had to be a ceiling, because this is the way we have worked traditionally in the House. The legislative committee goes through the hearings, evaluates the evidence before it, and tries to determine the amount of money which is the ceiling that the committee could possibly justify as far as the activity is concerned. Then it is up to the Appropriations Committee to determine how much of the money can be spent in that particular year, and that is the amount which is made available.

I submit to you that this is exactly what has happened in the appropriating process applied to this bill. Also I would like to make this point. It is provided in the authorization that if money is not appropriated in this fiscal year up to the amount authorized, the money remains available for the next 5 years. So if the money is not appropriated it can be appropriated at a later date if the need becomes apparent. This, in other words, is not something which will lapse, it is not money which you have to grab hold of now in order to have it remain available; it will be available.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. YATES. In the matter of the appropriating process, is it not the usual procedure that witnesses first come before the legislative committee, and once the Congress approves the bill the same witnesses appear before the Appropriations Committee with a basis of knowledge of what their authorization is? They then justify their request before the Appropriations Committee on the basis of the authorization; and does not the gentleman agree with me that this year we had a most unique situation, that the hearings for both the authorization bill and appropriation bill were going on simultaneously, so that with respect to the appropriations for this development loan and for the development grants, it was almost impossible for the witnesses for the executive branch to come forth with a specific list of projects. They did not know how much money the Congress was going to approve.

Mr. RHODES of Arizona. I will say to the gentleman two things: The first is that the condition the gentleman describes is not unusual in this bill. Many times the authorization bill has not been adopted at the time the hearings have taken place; also I would say to the gentleman that the justifications given by the departments both in the legisla-

tive committee and the Appropriations Committee are illustrative only; therefore, this again points up the reason why we should not be too much worried about trying to get an itemization. Nobody really knows where or for what this money is going to be spent. We can only take an educated guess.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. PASSMAN. Is it not true that on one or two occasions in the past we have had to present the bill under a rule for the reason that we were considering the bill even before the legislative bill was signed by the President?

Mr. RHODES of Arizona. That is absolutely the situation.

Mr. Chairman, to me it is very obvious that both of these great committees have worked hard and long in trying to come up with a reasonable figure. I do not think it is a slap in the face for either committee if the House decides on the other amount. Each committee works for a different objective. The objective of the legislative committee is and ought to be to establish a ceiling for a program. The objective of the Appropriations Committee is and ought to be to establish the proper sum of money which can or should be spent by law in any given year. That is what we have tried to accomplish in this bill.

Mr. HOLIFIELD. Mr. Chairman, I move to strike the last word, and I ask unanimous consent to proceed out of order for 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I have asked to proceed out of order for 2 minutes in order to bring to the House information that has just now been announced at the White House. I will give the announcement made in the name of the President, as follows:

In view of the continued testing by the Soviet Government, I have today ordered the resumption of nuclear tests in the laboratory and underground with no fallout.

In our effort to achieve an end to nuclear testing we have taken every step that reasonable men could justify.

In view of the acts of the Soviet Government, we must now take those steps which prudent men find essential.

We have no other choice in fulfillment of the responsibilities of the U.S. Government to its own citizens and to the security of other free nations. Our offer to make an agreement to end all fallout tests remains open until September 9.

In conclusion, I would like to say I am sure I am joined by all members of the Joint Committee on Atomic Energy who have long felt it was necessary that we do this very thing. We have felt it is necessary because many of us, while not having proof, were convinced that secret testing was going on underground in the Soviet Union. In the last 3 days three tests in the atmosphere have taken place behind the Iron Curtain. The Soviets have now taken a position completely opposite to their professed concern about the welfare of humanity and have deliberately again started testing and bring-



ing radioactive contamination into the atmosphere.

I think the President has taken the right step and I wish to commend the President for his statement on the resumption of nuclear weapons testing.

In a speech I gave in the House on June 14 of this year, I recommended that the United States resume weapons testing. However, I was careful to state that the timing of such a decision should be up to the President because of the many factors involved.

I reviewed the history of our futile negotiations with the Soviets. I pointed out that in view of Soviet intransigence, we should reappraise our position on testing. At that time I stated:

Of course, the key question is what effect the test ban is having on our weapons development program relative to the Soviet program.

Undoubtedly, any weapons development program as sophisticated as the United States or Russian could be improved in various significant respects, if weapons testing of various sorts were undertaken. Thus, it has been publicly stated that the U.S. program could be assisted by testing through: (1) getting lighter weight to yield ratios for warheads for our missiles; (2) developing an anti-missile missile; (3) developing improved small yield weapons; and (4) improving safety features of weapons.

But, more important, in my judgment, is the ultimate general effect on weapons technology of a continuing test ban. It will inevitably stifle developments undreamed of at the present time. Concepts are now being considered by our scientists which could be as revolutionary as the H-bomb in 1949.

I then reviewed a number of factors affecting our decision to resume testing. Many of these considerations have become moot in view of the Soviet unilateral decision to resume atmospheric testing, despite their protestation to the contrary in the past.

I believe the sober consideration given by the President and his advisers to the resumption question—both before and after the recent Soviet decision—has done much to improve the U.S. posture in world opinion. However I must say that the comments of most of the neutral leaders were somewhat restrained to say the least. Does anyone believe they would have been as restrained with the United States, if we had unilaterally resumed testing?

In conclusion I would like to quote the last brief paragraphs of my June 14 address:

In his message to Congress on May 25, 1961, President Kennedy stated that "we intend to go the last mile in patience to secure this gain (a test ban treaty) if we can."

But there comes a time when our extended inaction may be taken as a sign of weakness, by our friends as well as our adversaries.

In my personal opinion we have about "gone the last mile." I am hopeful that the President will arrive at a wise judgment on this important matter within a few weeks. He has access to all the national and international information on this problem. In the last analysis it is his responsibility to make the final decision. He must be the judge as to the timing and the method of procedure. People who are less well informed and less responsible for the effects of this grave decision should exercise restraint in this period of somber consideration. I be-

lieve the Congress and the people are ready to support the President at a time and in a method of his choosing.

Mr. Chairman, the President has now made his decision. I feel certain that the Congress and the people of the United States and the free world will support this decision.

Mr. Chairman, we have indeed gone the last mile.

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in support of the amendment.

The House won a great victory for sound fiscal management when back-door financing, or Treasury borrowing to finance development loans was taken out out of the foreign aid bill.

But the present proposal to cut the Development Loan Fund by \$175 million is inconsistent with that great victory. It is exactly what those who favored back door spending said would happen if that method of financing was refused. They said that the only way to be assured of having the needed funds was to use back-door financing.

Some of us, and I was one, stood in this well and said, No, we have confidence that the Congress will act fairly and responsibly, even if we have to go through the annual appropriations process.

The back-door request was for \$8.8 billion, of which \$1.2 billion was for fiscal year 1962. That figure of \$1.2 billion for fiscal year 1962 was the administration request. It was the Byrd amendment in the Senate. It was the Saund amendment in the House. It was the amount agreed upon by the conference committee.

We who were fighting back-door spending assured the public that it could expect responsible action from the Congress even if annual appropriations remained necessary; that the amounts would not be cut unless something was shown to be out of order. Now, we are cutting down a program before it has got started. We are cutting the program for fiscal year 1962. Nothing has been shown to be out of order.

This action undercuts the fight that we won a short while ago when back-door spending was defeated. We who took part in that fight will now have to defend that action. People will say "I told you so; I told you so. I knew that there would be haggling and bickering, and that amounts needed for the program would be in danger."

Mr. Chairman, I hope the House will refuse this cut and support the amendment of my good friend from Massachusetts.

Mr. GALLAGHER. Mr. Chairman, I rise in support of the amendment, hoping that we can exercise the responsibility that the gentleman from Massachusetts [Mr. CURTIS] so ably pointed out.

Mr. Chairman, the debate last week was on the method of financing. It was a fair fight on the principle as to where the funds could be gotten. But the entire basis of the argument was that without Treasury financing this Congress could exercise in its liberality the consciousness necessary to put a workable program into effect.

Mr. Chairman, I know that it is considered unsophisticated to point out that we live in one of the most crucial hours of our history; that it is unsophisticated to say that the extremity of the situation required our President to renew testing of the atom bomb. It is unsophisticated to point out the absolute need for this program. Yet, we do have a responsibility that we must exercise here today. That exercise of responsibility calls for us to remember what we did here last Thursday. Can all of the facts change so rapidly from last Thursday that we can come here today and follow a suggestion that was put forth 24 hours later to rip \$1 billion out of this necessary program?

What we need is the exercise of our responsibilities. The facts that prevailed last week remain the same today.

Under the new 5-year authorization the executive branch must return each year for a new appropriation within the annual authorization limit. There is, therefore, no point to be served in seeking out further ways of dramatizing this body's control over Development Loan expenditures. Our task is now to appropriate those amounts required to do the job, giving due consideration to our economy's ability to foot the bill.

What is needed to do the job? Clearly, funds must be adequate to finance in countries of high priority the many sound activities for which funds cannot elsewhere be found. Appropriations must be sufficient to finance such investments when they are ready, not several years beyond that point or even a year after. Unless we can make a timely response to the demand for development, we risk losing what advantage we may already have or stand to gain in the battle for men's minds. We are dealing with societies where the luxury of delay often unexpectedly becomes the target of antidemocratic forces. We are dealing with a world which can overnight create a Brazil, a Laos, a Cuba, or a Berlin.

There is, in this battle, just as much danger in acting too late as there is in acting with too little.

During fiscal year 1962 Development Loan requirements will well exceed the \$1.2 billion requested by the administration and authorized less than a week ago. This fact was amply demonstrated in the hearings before the Appropriations Committee and supported in detail in the classified country volumes presented to the committee. The facts support the contention of witnesses that the \$1.2 billion requested by the executive branch was not based on development requirements alone, but reflected an adjustment to fit loans within an overall budgetary ceiling.

In recommending an appropriation smaller by \$175 million than the authorized and requested figure, the committee apparently was relying on a partial picture of these requirements. It suggests that \$1,025 million will be adequate for 13 countries where proposals will be ready, and implies that proposals will be ready only in these 13 countries. In fact, witnesses before the committee outlined requirements in 40 to 50 coun-



tries and simply dwelt on these 13 as those with the highest priority and requiring the bulk of the funds.

For example, on pages 269 and 804 of the committee hearings, Mr. Labrousse, Director of ICA, and Mr. Coffin, Managing Director of the Development Loan Fund, both outlined requirements in countries whose number far exceeds those mentioned in the committee report.

They pointed out that about \$800 million will be required in three countries alone—India, Pakistan, and Brazil—and that \$700 million of this total had already been committed, subject to congressional action. They also outlined requirements in 10 other priority countries—for which many of the details must be treated as classified information—which are expected to range between \$300 and \$400 million. Thus, it was the judgment of the executive branch that in the 13 priority countries, those to which the committee report refers, between \$1,100 million and \$1,200 million will be required, rather than the \$1,025 million proposed by the committee.

But what the committee report does not mention is a third category of more than 30 countries, 22 of whom have more than \$300 million in applications now pending before the Development Loan Fund. We also know, from past experience, that at least an equivalent amount of new proposals will be presented by these countries during the year.

Thus, even if we accept the committee's judgment that the administration will be able to do less in the 13 priority countries than it estimates, we must make allowance for a large omission in the committee's thinking, an omission which would leave the executive branch without tools for coping with capital development problems, not to mention the more immediate requirements of foreign policy, in more than a score of countries.

If we adopt the committee's recommendation, loan funds may not be available for projects in critically placed, friendly nations in Africa, Asia, and Latin America. In many of these countries, the executive branch is proposing a drastic reduction in other forms of economic aid. It intended to make fiscal year 1962 the year of the significant shift from grants to loans and from annual, recurring subsidies in many countries to sound investment programs. If the committee action is sustained, not only will there be small or no grant programs for these nations, there will also be no loans. They will, in short, be left high and dry. If it were diplomatically possible to mention some of these countries on this floor today, I am sure you would agree that the committee action will hurt many of our closest allies whose development needs are urgent and substantial.

The committee's action will also deal a severe blow to the alliance for progress. Many of the countries in the more than 30 which the committee neglects to mention lie in South America. On the basis of the administration's estimates, it appears that the committee's loan figure

would reduce this program's contribution to the alliance by as much as a third or more. The effect of such a halfhearted response to our long-range security needs in this area of major importance would be serious indeed. Moreover, this body would have begun what could only be considered a retreat from the bipartisan initiative under which it launched the alliance 1 short year ago.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. GALLAGHER. I yield to the gentleman from New York.

Mr. TABER. Is it not an absolute fact that the Congress threw out the back-door spending with the idea that there would be some consideration given to the needs? The Appropriations Committee, having seen what the need was, put in the bill the proper and intelligent way to approach it.

Mr. GALLAGHER. I do not agree that is the proper and intelligent way to approach it. I say that the executive department—the President of the United States, reinforced by the opinion of the former President of the United States—said that this program is necessary. The House of Representatives last week confirmed that judgment by finding it necessary. Now we are once again being called upon to capriciously change our mind and say that through this action, as opposed to our action last week, we can have a program with \$1 billion less in it. I say that the need existed last week, and it does today.

Mr. TABER. Mr. Chairman, will the gentleman yield further?

Mr. GALLAGHER. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that no one has attempted in any way to establish any higher ceiling than \$990 million, based on the evidence that was produced before the committee?

Mr. GALLAGHER. No; that is not the fact. The fact of the matter is that in the committee report evidence was adduced to the effect that that amount was necessary as it pertained to 13 countries.

The fact of the matter is that there are over 30 countries defined within the bill that need this type of development. There was a failure to include all of them in the committee report. I think we should consider the report as pertaining to all of the countries. It created an unwarranted in that inference by citing merely 13 programs. I say that the necessity still remains for the rest of the countries that are in the report of the Foreign Affairs Committee. I feel it would be ridiculous for us merely to conclude that this body and the Committee on Foreign Affairs for 3 months went through an idle exercise of futility that must now be subordinated to what I feel is the judgment of a gentleman who has said that he does not have confidence in the program at all. So all the facts are not only the facts contained in the report that you mention. Those were some of the facts, but the report stopped at a point short of the necessities of the program, when it failed to include all the facts.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that the executive branch could not properly develop firm plans for a larger amount than roughly \$900 million because that was the amount they expected when they came before us? Only last Thursday did we authorize \$1.2 billion. They had plans for \$990 million ready, and it takes some time to develop and refine and present additional plans. If they are not able to develop good plans for the additional \$200 million, then no money will be wasted. But they should be given the capacity to carry out what we have authorized them to make plans for and to execute agreements for.

Mr. GALLAGHER. The gentleman is absolutely right. I hope we will exercise our responsibility and support the amendment. I hope we will not subordinate the national interest to appease what sometimes carries all the appearances of a personal fetish.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CONTE and Mr. PASSMAN.

The Committee divided, and the tellers reported that there were—ayes 110, noes 132.

So the amendment was rejected.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

(Mr. HOFFMAN of Michigan asked and given permission to revise and extend his remarks.)

SHALL THE CONGRESS OR THE EXECUTIVE MAKE APPROPRIATIONS?

Mr. HOFFMAN of Michigan. Mr. Chairman, we are considering the mutual security appropriations bill for 1962.

Thursday last, the House by a vote of 260 to 132 approved the conference report on a bill "to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes."

The legislation authorized an appropriation of \$4,200 million. The House Committee on Appropriations reduced the amount by \$896 million. Amendments will be offered to restore a part if not all of the cut.

The issue before us today is whether the executive department or the Congress, which is charged by the Constitution with making appropriations, shall determine the amount which we will appropriate.

Did the supporters of the conference report hoodwink the opponents of back-door spending?

Should we continue our foreign policy when it has failed to give us adequate results, when we have not the money to finance it and its continuance will bring us inflation and bankruptcy?



It might be helpful in arriving at a decision to determine the purpose of the basic legislation, its result, the desirability of pursuing the objectives under the present program and our ability to do so.

The purpose just quoted from the bill is the purpose and policy which the appropriation is to implement.

When the mutual security bill was before the House, a more recent statement of the purpose of the legislation was made by our colleague from Michigan [Mr. BROOMFIELD], who went on the Committee on Foreign Affairs on February 13, 1961, and who came here as successor of our former colleague, George Dondero. He may have more accurate knowledge of what the people desire than some of those who have been here longer. Undoubtedly the bill will be passed by a more than 2-to-1 vote.

The gentleman said:

In this bill before us today, we are not offering bigger and better bombs with more killing power. We are offering those who are without opportunity a chance to improve themselves. We are not offering total destruction and annihilation. We are offering a tomorrow to man which will be better for him and his children.

Many assumed that at least one purpose of the bill was to keep us superior in military strength to the Communist nations.

We all agree that our own existence, secure as a Christian nation, must be our objective. That we will, to the utmost of our ability, consistent with our own security, aid those wherever they may be who are less fortunate than are we.

It does not follow, however, that we are the sole possessors of all knowledge of what is best for all people. As our people number but 182,719,000 of a total world population of 2,972 million, it might be well for us to pause momentarily before we assume that what we think, believe or desire is either wanted or acceptable to other people, other nations.

It is all very well for the internationalists to attempt to bring about the world situation which they desire and few would object if they alone carried the burden or made the sacrifices, but there are millions of Americans who consider the task impossible of accomplishment, who sincerely believe that pursuit of our present policy is futile, that it will not only make it impossible for us to help others but eventually will destroy us as a free people. That it will not prevent another war. Some remember the "war to end all war" was followed by another war.

#### THE RESULT

We have had our present policy for something like 14 years. We have spent or have authorized the spending of some \$106 billion. The result is that today we are in grave danger, greater trouble than ever before. That, at least, is the substance of the statement of the gentleman from Minnesota, Dr. Judd, a longtime and perhaps the most persistent advocate of this program.

Nor, as the world situation is viewed today, have we the support of many of

the nations we have aided. Many are neutral—some like Yugoslavia and Poland, referred to by the gentleman from Michigan [Mr. HARVEY]—are actually hostile.<sup>1</sup>

How the gentleman will vote after amendments are adopted I do not know.

#### OUR ABILITY

The chairman of the House Appropriations Committee, the gentleman from Missouri [Mr. CANNON], from the well of the House on August 16, said:

We are spending, and we have been spending during this entire year, every hour, \$1 million more than we are taking in. Ever since this session began we have been spending in the red at the rate of \$1 million every hour, day and night.

Moreover, not long ago, the chairman of the Senate Committee on Foreign Affairs, Senator FULBRIGHT, another ardent supporter of this program, stated that if a national referendum were held on foreign aid, handouts would lose.

#### HOODWINKED

Last Thursday, when the conference report was before the House, it was adopted because the House was assured that the administration would not attempt back-door spending.

The gentleman from Pennsylvania [Mr. MORGAN] said—CONGRESSIONAL RECORD, page 16718:

The predominating issue in the conference was the issue of Treasury borrowing to finance development loans \* \* \*.

In order to get agreement to the complete elimination of Treasury borrowing, it was necessary for the House to make concessions on other points.

The bill we bring back upholds the position of the House.

\* \* \* \* \*

<sup>1</sup> On the weakening of opposition to assistance to Communist countries, Mr. HARVEY, of Michigan, said, CONGRESSIONAL RECORD, page 16719:

"Mr. HARVEY of Michigan. Mr. Speaker, I also voted for the bill when it was passed by the House. But I was concerned about section 619, assistance to Communist countries and the fact that the committee depart from the original Casey amendment as it passed the House. It occurs to me that the language now is considerably weaker than the language which enumerated the 17 Communist countries, as the House spelled it out. I wonder if the gentleman would care to comment on that?"

"Mr. Speaker, when H.R. 8400, the foreign aid bill, passed the House, section 619(a) of the House amendments specifically provided that no assistance should be furnished to any country or area dominated or controlled by the international Communist conspiracy, and some 17 countries, including Yugoslavia and Poland were enumerated."

He also added: "The language in the bill as it now reads leaves the determination of furnishing aid to Communist countries to the President. Under the State Department view, we can expect aid to continue to Yugoslavia and Poland, both Communist nations. This makes no sense to me in the perilous position that we find ourselves in Berlin, and particularly in view of the announcement from the Soviet Union today that it intends to resume nuclear testing. If we were attacked by the Soviet Union, are any of us silly enough to think that we will be assisted by any Communist government, Yugoslavia or Poland included? I think not."

The language adopted in the conference makes it possible for the United States to make commitments for future financing of development programs of the less-developed countries which will be helpful and reassuring to these countries while at the same time preserving the normal congressional procedures with annual appropriations.

Note the inconsistency of the statement that the executive department can make commitments and yet asserts the Committee on Appropriations would have a discretion as to whether those commitments should be met.

The language which it was said would prevent that method was this—section 202(a):

It is understood that the conferees regard the language in the bill as authority for the executive to make commitments which will be honored by the Congress unless there is evidence of obvious bad management or the other country has failed to meet its responsibilities.

There were several opinions as to the effect of that language.<sup>2</sup>

<sup>2</sup> The gentleman from Michigan [Mr. FORD], referring to the President's news conference, said (CONGRESSIONAL RECORD, p. 16718):

"First he was asked if this language in section 202(b) is put in the basic law, would he think there was at least a kind of a moral obligation upon the Appropriations Committee to honor those commitments with appropriations?"

"The President replied:

"No. I would think that the Appropriations Committee would have to make their own—meet their own responsibility."

"The President seems to say that although conditional commitments can be made, they are subject to the appropriations process and in no sense is there a moral obligation across the board to supply the funds."

As to bypassing the Appropriations Committee, the gentleman from Iowa [Mr. GROSS] cited section 202(a) (CONGRESSIONAL RECORD, p. 16718):

"It is understood that the conferees regard the language in the bill as authority for the Executive to make commitments which will be honored by the Congress unless there is evidence of obvious bad management or the other country has failed to meet its responsibilities."

In answer to the gentleman's question as to whether the language was written down, the gentleman from Minnesota [Mr. JUDD] said:

"Mr. JUDD. Part of the agreement that was finally reached when the conferees receded from their long and determined insistence on Treasury borrowing was that the managers on the part of the House put that statement in our report to the House, which we did."

The chairman of the subcommittee [Mr. PASSMAN] asked (CONGRESSIONAL RECORD, p. 16720):

"Under the development credit program authorizing \$1.2 billion for this year and \$1.5 billion for each of the following 4 years, what would be the effect of a difference in opinion between the committees of the Congress and the executive branch as to the actual need for a particular program or programs? How would the difference be resolved?"

The chairman of the Foreign Affairs Committee [Mr. MORGAN] replying (CONGRESSIONAL RECORD, p. 16720):

"Mr. MORGAN. I just want to read the gentleman a sentence from the conference report:

"It is understood the conferees regard the language in the bill as an authority for the



The language quoted—section 202a—would authorize back-door spending unless there was evidence “of obvious bad management or the country has failed to meet its responsibility.” Today the executive department’s vigorous condemnation of the proposed cut of \$896 million made by the Appropriations Committee is proof positive that those in control of our foreign policy are determined to get every last dollar which they desire. Do not intend to follow the Appropriations Committee. The appearance of doing so got the votes to adopt the conference report.

Those who opposed the legislation last Thursday will ultimately learn to their regret that, while there may be no legal obligation for the Appropriations Committee to comply with the wishes of the administration—more accurately, the State Department—in effect, notwithstanding the many disclaimers made from the floor of the House in an effort to get votes in support of the conference report it will be argued we are obligated to support every commitment which may be made and which cannot be rejected because of bad management or the failure of some other country to meet its responsibilities.

The inevitable practical result is that the authorization will be urged as a com-

Executive to make commitments which would be honored by the Congress unless there is evidence of obvious bad management or the country has failed to meet its responsibilities.”

As to whether Appropriations Committee or executive department prevails as to the amount (CONGRESSIONAL RECORD, p. 16722) the following occurred:

“Mr. PASSMAN. Suppose the administration should decide \$1.3 billion is needed, and the committee should decide to appropriate \$1.2 billion as being adequate to meet the needs? Which viewpoint would prevail in such a situation, that of the committee or the executive branch?”

“Mr. JUDD. The committee action would prevail. But it should be clearly understood that the conference committee expects that appropriations will be made for commitments within the \$1,500 million authorization unless there is evidence of bad management or obvious bad judgment. They can ask for more than the \$1.5 billion authorized but they would have to justify such requests first, before our committee and then your committee.

“Mr. PASSMAN. After the commitment was made, the Congress would have no alternative.

“Mr. JUDD. No, that is not the understanding of the conferees. All commitments would be conditional, subject to the annual appropriation of such funds. The language does not require you to supply the amount conditionally committed unless you agree with the basic soundness of the arrangements they have made.

“Mr. JUDD. I do not think we are morally bound to provide money for individual projects, if we do not think they are sound. While I do not like the word, ‘morally,’ I do think that the Congress in adopting this report—there should not be any uncertainty on this point—is adopting a policy of authorizing the executive to make long-range plans and conditional commitments within the limits of \$1,500 million a year, subject to review and the provision of funds by the Appropriations Committee and the Congress.”

mitment binding upon the Appropriations Committee; that those who so loudly and so vigorously sought the votes of those who objected to back-door spending and assured them that such was not the purpose will not be heard urging the present or any future Appropriations Committee to restore any proposed reduction in the amount asked to carry out the Executive’s commitments.

When the conference report was here last Thursday the gentleman from Virginia [Mr. HARDY] said—CONGRESSIONAL RECORD, page 16721:

I have always supported foreign aid. I would like to support this foreign-aid bill, but the language which the conferees have agreed to with respect to the furnishing of information to the Congress and the GAO convinces me that this bill ought not to be passed as it is. What it would do is provide statutory authority for the President to withhold any information he sees fit from the Congress. To permit the executive branch complete control over the information which it will provide the Congress could effectively remove from Congress its control over appropriated funds. This is particularly dangerous because of the flexibility and discretionary authority with which foreign-aid funds are expended. This flexibility really necessitates a freer flow of information to Congress.

The original withholding of this information, in my judgment, was accomplished on dubious legal grounds—in fact, I think it was illegal. But if we adopt this conference report we will have provided legal basis on which the executive branch can refuse to give the Congress anything.

It is my intent to support an amendment which he will offer to correct that situation and perhaps if that amendment is adopted he will vote for the bill though he will find the waste and worse continuing in future years.

The gentleman from Michigan [Mr. MEADER] when the conference report was here opposed the report because it eliminates the annual review and gives “a free hand to the administrators of the program for the next 5 years, subject only to such checks as the Congress may exercise in the appropriation process.

Also, because the President’s escape clause effectively nullifies the action solemnly taken unanimously by the House of Representatives designed to uphold the power of Congress to find out how foreign-aid funds are being spent.”

Also, page 16723, CONGRESSIONAL RECORD:

This provision aids, upholds, and enhances bureaucratic secrecy and its immunity from accounting for the discharge of trust of public funds and public authority. This denial of congressional access to information about the public business—knowledge indispensable to the formation of sound legislative judgments—coupled with the vast increase in authority and funds, and a greater latitude of discretion and flexibility vested in the bureaucracy, renders this measure one which I cannot support.

Mr. Speaker, April 17, 1961, in a speech on the floor of the House—CONGRESSIONAL RECORD, pages 5658–5662—I praised President Kennedy for ordering Secretary of State Rusk to reverse instructions he had given witnesses not to provide documents and information concerning misconduct. That information was requested by the Hardy

committee, pursuant to provisions in existing law, which, by this conference report, would in effect be repealed.

It appears I was premature in this praise and that the bureaucracy has now been successful in inducing the conferees to restore their immunity from effective congressional scrutiny of their acts.

I urge the House to vote down the conference report.

Perhaps he, too, will vote for the bill if the Hardy amendment is adopted—then he, too, will probably once again discover that his expression of good faith is “premature”.

For myself the past history of our foreign-aid policy indicates it has been a waste of money—given us no national security—no promise of aid from any nation other than Great Britain, France, and West Germany and more than once we have displeased both Great Britain and France.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I have the attention of the distinguished gentleman from Louisiana, the chairman of the subcommittee. Can the gentleman tell the committee whether the Secretary of the Treasury, Mr. Dillon, committed the United States in the recent conference to the expenditure of \$20 billion, over a period of 10 years?

Mr. PASSMAN. I should like to state to the distinguished gentleman that his interpretation would be just as good as mine. You read in the paper what he said. I read the same article. I would certainly say it would not be a legal commitment. It may be something that could be considered a commitment. I would not think Mr. Dillon’s statement would be legally binding on the Congress or the country at this time.

Mr. JONAS. I thank the gentleman.

I think we ought to know that the Voice of America is broadcasting radio messages throughout Latin America stating that we have offered this \$20 billion in aid over the next 10 years. And may I, for the information of the committee, read the following quotation from a Voice of America broadcast to Latin America on August 14:

A vast effort for the well-being of the peoples of this continent is what has been planned, during 2 weeks, in this hotel in Punta del Este, Uruguay. The ministers of finance of the American Republics, together with their technicians, their economists, and their sociologists have studied the measures which can aid in reforming the social structure of Latin America and speeding up its progress.

The United States has offered \$20 billion in aid within 10 years. One billion dollars will be allocated between now and next March, in accordance with the offer made by President Kennedy in his alliance for progress program.

Now, I think the representatives of the people of the United States in Congress assembled ought to know specifically whether the good faith of the United States has been committed by the Secretary of the Treasury to the extent of \$20 billion and, if that is so, upon whose authority.



I am not opposed to aid for Latin America. I voted for the \$600 million appropriation item. I am in favor of helping our friends on this continent and our friends around the world, but if a Cabinet officer of this Government can go to any place in the world and commit this country to spend \$20 billion over the next 10 years, I think we, the representatives of the people, ought to know under whose authority and by what right he commits this Government to that amount of expenditure.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Illinois.

Mr. MASON. It is impossible under our Constitution for any Secretary of the Treasury to legally bind this Nation to any amount.

Mr. JONAS. What about the people who heard these broadcasts from the Voice of America in which they are told that the United States "has offered \$20 billion in aid within 10 years?" Now, that is the question I am raising before the Committee, and I think we, as responsible representatives, ought to find out to what extent this Government has been obligated to \$20 billion.

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield. I did not mean to be evasive. I am trying to handle this bill and not trying to displease anybody, but it is not a legal commitment. But in all probability the statement will lead to many billions of dollars of requests to meet the commitment.

Mr. JONAS. I do not think it is a legal commitment. I do not think we are legally obligated to supply the funds, but when the Voice of America tells the people of Central and South America that the United States "has offered \$20 billion in aid within 10 years," some of the people who heard the broadcast will believe it is a binding obligation and will have a right to so believe because the Voice of America is an official agency of the United States. When the funds are requested here, the argument will be made that our Government has been obligated, and the people in Latin America will have been misled unless we put up the money. And unless Congress votes the money, the chances are that we will have lost many friends in this hemisphere.

The Clerk read as follows:

Development grants: For expenses authorized by section 212, including \$2,673,000 for ocean freight, \$1,139,000 for Atoms for Peace, and \$24,925,000 for the malaria eradication program, \$259,000,000.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 2, line 13, strike out "\$259,000,000" and insert "\$350,000,000".

Mr. YATES. Mr. Chairman, I dislike very much finding myself in disagreement with my colleagues on the Appropriations Committee, particularly those on the Subcommittee on Foreign Operations. I know how hard they have worked, how many hours they have put in on this bill, and it is with some trepidation that I disagree. However, I feel

very strongly that the bill that they have approved cannot be designated a foreign aid bill. This is not the bill the House authorized. When one considers the drastic reductions made by this committee it becomes clear that the intent of the Congress as was expressed in the authorization bill was not carried out.

Mr. Chairman, the deep reductions made in this bill have been made in no other appropriation bill I am aware of. The cut in military assistance amounted to 23 percent; the cut in support assistance amounted to 13 percent; the cut in development grants amounted to 31 percent; the cut in development loans amounted to 14 percent; the contingency fund was cut 41 percent; the administrative expenses were cut by 10 percent. The Investment Service was cut 100 percent; the Peace Corps was cut by 50 percent. The overall cut in this bill was 21 percent. These reductions are foolhardy at this critical time.

My amendment is directed to an essential part of the program, the point 4 program, the technical assistance program. This is the program that is directed toward helping people help themselves, to providing assistance where they need help most: to eradicate disease, to provide schools, to help improve their standard of living from its present pitiable state, to do the things necessary to be done to help people in underdeveloped countries. When this particular part of the bill was before the House during debate on the authorization bill the gentleman from Indiana [Mr. ADAIR] offered an amendment which would reduce the same by \$50 million. That amendment was rejected. The gentleman from Ohio during debate had this to say, and I read from the CONGRESSIONAL RECORD of August 17, page 15117:

There has been a lot of criticism in the way foreign aid has been administered, and a lot of that criticism has been justified, and I have been one who has criticized it. But, much of the criticism finally has been directed at the fact that the money has been applied to the wrong places. The money has been spent in many cases to provide great arms equipment for underdeveloped countries who were in no position to support such a program. The development grant section proposes to attack the problem at the grass-roots. It is that part of the bill where you go into underdeveloped countries and you attack the problem of disease, illiteracy, all of the things which cause these countries to be a fertile ground for communism.

Now, there is no question that in years past we have spent too much money on arms, and I am not going to mention the countries by name, because that would not do any good. But we have seen a situation where we have poured arms into an underdeveloped country to the extent that the military machine became the dictator and thwarted and destroyed exactly what we were trying to do. This is the program that attacks it by democratic principles. It is the program that tries to show these people how democracy works.

Mr. Chairman, the gentleman from Minnesota supported the gentleman from Ohio in his argument. He said he wanted to express entire agreement with the gentleman from Ohio. This is the money for carrying out the technical assistance program. This is the money

that will help programs of education, health, and so on.

If the Appropriations Committee standard is maintained there will not be one program in this bill for the continent of Africa, not one solitary program for the entire continent of Africa.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. TABER. Would the gentleman please look at page 4 of the report where he can see at least 15 projects for Africa.

Mr. YATES. The gentleman is entirely right in correcting me. I meant to say that there will not be one new program for the continent of Africa. This bill winds up the program. The Appropriations Committee allowed \$259 million to carry on programs which have been established over the past few years. What we are doing if we sustain the action of the Appropriations Committee is to say that this is as far as we will go, we will complete these programs but we will go no further with respect to this very important activity.

Mr. Chairman, I suggest that this is the most vital activity of the entire foreign aid program.

I hope my amendment will be agreed to.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. YATES].

Mr. Chairman, your committee has worked hard. We tried to get even meager information that would justify any funds for a capital grant program under the development grant appropriation. This is the first time, so far as I know, since we have had this program, that the committee did not recommend a single dollar cut in the technical assistance program.

On page 4 of the committee report you will discover that there are 68 nations of the world listed to participate in the \$259 million in the bill. We allowed every dime that the administration requested to continue existing projects. This is the first time that I recall where we failed to make a reduction in the technical aid program. Almost every country in Africa is included. None of these funds are earmarked in the bill as to countries or areas. They could spend the entire \$259 million in Africa if they should elect to do so.

We should go to the record. On page 1037 of the hearings, under the heading "Funds Requested Without Information on Projects or Country Programs," there appears the following:

Mr. PASSMAN. How much of the present estimate is to be used for the purpose of financing surveys of resource potentials?

Mr. COFFIN. We have not programed the new development grant money by purpose or project.

On page 1038 there appears the following:

Mr. PASSMAN. Then, did I make a statement of fact that you are asking us to appropriate prior to having any specific programs or projects?

Mr. COFFIN. That is true, Mr. Chairman.



Should you not actually throw us off the floor if we brought a bill out recommending funds when they had set out no program or projects? I repeat, we have fully financed every existing program in the technical aid field, including technical assistance projects in the defense support, and the special assistance program. Many of these projects will be deobligated and reobligated. There is no restrictive language in the bill. This is grant aid for highways, water tanks, or railroads. This is not technical aid. We took out this grant aid.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Illinois.

Mr. YATES. Should not the gentleman call the attention of the committee to page 1087 of the record, in which the gentleman from New York, interrogating Mr. COFFIN on the aid program, brought out the fact that there is a great list of projects available and they had a whole list of them in the book that was made available to the committee of new programs under consideration?

Mr. PASSMAN. They said they had a reservoir. They did not know what programs or projects they would go ahead with. Would you not ridicule the committee had we recommended funds for this program when there is no justification? You would not expect the committee to ignore the ordinary processes by which the Congress operates. If you did not ridicule us, the country would.

Mr. Chairman, there is no justification for the pending amendment.

Mr. HAYS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, last week an amendment to cut this section by a much less amount was defeated pretty substantially. It seems to me that if there is any part of this bill, as I said then, that has a chance to do some good, this section would probably be it.

Mr. Chairman, I realize, as well as anybody, and I am sure I feel the same way, that we have had a long session. As I said last week, we have become frustrated and we tend to do things sometimes hastily. But I cannot, for the life of me, see why we cannot trust the administration with this extra money that they are going to need before the year is out for these rapidly emerging nations.

Mr. Chairman, let me put it this way: I do not think if some of these nations that are becoming independent turn to the Communist bloc for assistance that any single Member of this body is going back home and say, "Oh, well, I helped them to do that." You are going to find somebody to blame. It is a human tendency. Sure, there are 60-some odd nations involved here, but there are more than 100 nations that belong to the U.N., and not all of the nations of the world belong there.

Mr. Chairman, I will say this about the Communists: When they get rebuffed they do not quit. When an uncommitted country turns them down they keep trying. I made speeches as long as 7 or 8 years ago saying that I thought, at the time we had the crisis

in the Middle East, that the Communists were not as much interested in the Middle East as such as they were interested in the Middle East as a land bridge to Africa. I have not changed my mind. The proof of the pudding, as the old saying goes, is in the eating. They have agents operating in Africa by the hundreds and the thousands. Why are they interested in Africa? Because Africa, while not the most productive continent agriculturally in the world, is the world's greatest source of undeveloped raw materials. Khrushchev has said many times, and he said it in my hearing once, "We are not going to have to fight you people. We are going to persuade the countries of the world, one by one, to adopt our philosophy and when we have you isolated on your North American Continent, along with the Canadians, we will shut off your raw materials and we will reduce your standard of living to the point that your people will be glad to make 'book' with us on our terms."

Mr. Chairman, the House rejected a \$50 million cut in this amount last week. For my part, I said in this well that I was willing to trust the Eisenhower administration to judiciously spend money, and I am just as willing to trust this administration. I am just as willing to trust our former colleague, Frank Coffin, who served on the Committee on Foreign Affairs for 4 years, who is conscientious, who is careful, who is exacting, with the supervision of these funds, and know that they will not be wasted.

Mr. Chairman, last week we talked about flexibility. Well, you cannot have flexibility if you have only the amount of money you have committed. Suppose something comes up in one of these nations in Africa where the approval of a project will do us some good? Are we going to slam the door in the face of these people today and say "If you are not in now, you are not going to get in?" Are we going to say to these newly emerging nations "Oh, the Congress took a look at the books and this is how much there were contracts for, and there are not going to be any more?"

Mr. Chairman, I do not think that is the kind of flexibility that is going to help the administration do the right thing. As I said here last week, when we are spending \$46 billion a year to try to defend ourselves against an atomic attack, is this Congress, is this House going to insist on chopping out of this bill \$100 million, or a little less, which conceivably—not probably, but possibly—could make the difference between having to use the \$46 billion, and not having to use it?

Mr. Chairman, I urge that the amendment be adopted.

Mr. JOELSON. Mr. Chairman, I rise in support of the amendment.

(Mr. JOELSON asked and was given permission to revise and extend his remarks.)

Mr. JOELSON. Mr. Chairman, we have heard tributes here today to the subcommittee chairman and his hard work. But I would like to pay a tribute to two forgotten men today, two great Americans who have had the awful re-

sponsibility of being charged with the conduct of our foreign affairs—Dwight D. Eisenhower and John F. Kennedy. They have told the American people that they cannot go forth into the fray with one arm tied behind their back. We are telling them today that they must do so.

I have heard this called a great day for the taxpayer. Well, almost every adult American is a taxpayer and I do not see how a black day for American foreign policy can be a great day for the taxpayer. I do not want to be one of those "dollar diplomats" who want to play pocketbook politics with our mutual security. It is all right to talk about a great day for the taxpayer and to celebrate, but just remember that we may wake up tomorrow with a king-sized hangover if we do not support the President's foreign policy.

I urge support of this amendment.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a great interest in this amendment. That interest springs from the fact that mine is the responsibility as the Chairman of the Subcommittee on Africa. That subcommittee is a dedicated subcommittee. The ranking minority member is the great Congresswoman from Ohio, Mrs. BOLTON. The distinguished gentleman from Indiana, Mr. ADAIR, serves with Mrs. BOLTON as representative of the minority. On the Democratic side are Mr. DIGGS of Detroit, Mr. NIX of Philadelphia and Mr. MURPHY of the district adjoining mine in the city of Chicago. The subcommittee has worked hard. I doubt that there is any subcommittee that has worked harder. We are united in our thinking and our conclusions, and included is the one member of the subcommittee, the gentleman from Indiana, Mr. ADAIR, who, frankly, is against foreign aid entirely, and yet he very much subscribes to the conclusions as regards Africa of the other members of the subcommittee.

I think I am speaking with accuracy when I say that our subcommittee is convinced that if we lose Africa, freedom has received a setback from which it will be all but impossible to recover.

It is not only the large number of members of the General Assembly of the United Nations that come from Africa; and the number is increasing all the time. It is not only in the great population of Africa, and in the great wealth of minerals and timbers and strategic materials in Africa. The wealth of Africa is untold and it is untouched. More than all this, are the spirit, the determined drive, the dedication of men and women, freed at long last from colonialism, to meet their rendezvous with destiny.

Events in Africa are happening very rapidly. Mrs. BOLTON mentioned Guinea. Every member of our subcommittee is convinced that had we acted promptly as we should Guinea would have been stoutly on our side. What is the situation today? American capital has a larger investment in Guinea than all the money that has been given by Russia. And American capital in Guinea has confidence.



What is the situation in Ghana? I heard a good friend of mine from Iowa say things of the President of Ghana that I know do not reflect the thinking of Americans with both investments and confidence in Ghana.

The leader in Tanganyika is one of the great leaders of these times. He came here. He needs money. Certainly there are immediate problems. These problems must be solved in some way and immediately. He says, "Why, certainly, I am your friend; but if I have got to have help and you will not give it to me I must take it from any source I can get it."

There is not a country of Africa that wishes to go Communist. They know the risks they are taking, but they are determined to remain free and independent.

I have affection and admiration for the gentleman from Louisiana and I know how busy he has been, but he is mistaken when he says there are no programs for Africa that have been firmed up. The fact is that provided in the appropriation cut is \$74 million for Africa for education, to help their schools, to help bring Africans to this country. This is a \$74 million program firmed up for Africa.

They have programs that amount to \$193 million, \$100 million in Africa. Here is a collection of programs, from which the best will be taken. They are all firmed up. What more could you want?

Mr. PASSMAN. Has the gentleman referred to the page showing the amount of money in this bill for Africa? I believe there is more for Africa on a per capita basis than any other part of the world in the technical aid fields. These people told us they had no funds and no projects for agriculture. That is what they told me.

Mr. O'HARA of Illinois. The gentleman from Louisiana has the last word. I am left no time for reply. Even to my last word, I gave to my friend, even though on this issue we are in disagreement.

Mr. JUDD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, many of us in this House have been hesitant to support some of the expensive construction of steel mills, dams, powerplants, roads, and bridges that have been built in semi-primitive countries. It is in these big programs that the waste has taken place, partly because frequently the people have not been trained to operate successfully the facilities built with our taxpayers' money. This amendment restores funds for the development of human resources, helps people acquire the necessary skills. It teaches them to read and write, to raise more food, to handle their sewage and water and food supplies out in the villages. One basic reason for the failures about which complaints have been made is that in building more elaborate projects, we frequently got the cart ahead of the horse. We did not put enough manpower and money and effort into the development of agricultural and educational skills and abilities. They need elementary knowledge and the

know-how first. They need to acquire the capacity to work together, and the maturity that comes from managing their own affairs cooperatively.

We should support this amendment in order to make a maximum effort at developing first, the human resources in these new countries. For it is what the people of Africa and Asia believe, their hopes for the future, whether they can better their chances for better lives by going with the free world, or by turning, in doubt and perhaps even in despair, to the other side. No matter how backward they may be at this time, it is what they think, it is what they believe and want and feel, that will determine the way their countries and their continents go. It is not necessary to remind anyone here that which way these countries and continents go that will be decisive for them and in the end will determine how and where the United States of America also comes out in its fight today for survival.

Mr. McDOWELL. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Delaware.

Mr. McDOWELL. Is it not a fact that this is the part of our foreign-aid program, that is technical aid and the point 4 program which, from the very beginning, has been that part which has been under severe criticism for any faults?

Mr. JUDD. That is certainly true. This is the part where we get the most for what we spend and do. The committee has given just enough money to continue existing programs, but nothing to use with imaginative building on our experiences of the past, to expand and improve the programs that exist today and to initiate new ones. Nobody denies that on the whole these technical assistance programs have been well handled. We need more in this field, not less.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I do not know how Africa got into this debate. We funded every program, we did not reduce it one dime. For the first time since you have this bill, did we provide money for all the technical aid projects throughout the world. You could spend the entire \$259 million in Africa. The committee only denied that part where they had no program and no projects and no country. How did Africa get into the bill as being discriminated against?

Mr. JUDD. Africa is the place where new countries are just coming into being, and are the least developed. It is where there has not previously been opportunity to develop the kind of point IV programs we are talking about.

Mr. PASSMAN. But Africa is in the bill for \$73,310,000.

Mr. JUDD. The point has been made at least five times this afternoon that you have given those funds, and the total of \$259 million to carry on existing programs worldwide. But, you have not given anything more to permit the development of new programs in the

newly independent countries which need help most urgently just now. We should be developing new concepts and new approaches, not just continue what we now have in operation. I hope the amendment offered by the gentleman from Illinois [Mr. YATES] will prevail.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, if I understand this situation correctly, the committee gave them all the money necessary to fund the programs which they advanced before your committee; is that correct?

Mr. PASSMAN. That is correct and this is the first time in the history of this bill that your committee recommended every dime that they asked for in the technical aid field. The amount that the committee denied was grant aid that they had put over in the technical aid. You have grant aid in several different packages. We removed \$121 million simply because they told us they had no projects and no programs and they did not even know what countries they would be used in. I asked Mr. Coffin a question and he said: "That is true, Mr. Chairman." There is no justification for this.

Mr. GROSS. Then what the gentleman is doing in opposing this amendment is saying to the gentleman from Minnesota [Mr. JUDD]—I will say it for him—that he wants to save him from getting up on the floor of the House, as he did a few minutes ago, to apologize for all the mistakes that have been made in this program in the past by overloading it with money.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mrs. BOLTON. During the questioning before the Committee on Appropriations, the gentleman from New York [Mr. ROONEY] asked some questions. The record of the hearings is as follows:

Mr. ROONEY. These are programs in which some investigation has already been made?

Mr. COFFIN. Yes.

Mr. ROONEY. And have you a list of these?

Mr. COFFIN. Yes.

Mr. ROONEY. And have you details in regard to each of them?

Mr. COFFIN. Yes.

Mr. ROONEY. Is that the book there?

Mr. COFFIN. This is the book, Mr. Rooney; yes.

Mr. ROONEY. And in this book, which looks to be quite voluminous, we will find the details with regard to the various projects which come to \$190 million?

Mr. COFFIN. One hundred and ninety-three dollars.

Mr. ROONEY. That is all. Thank you gentlemen.

Mr. Chairman, I would like to remind our colleagues that when the gentleman from Illinois [Mr. YATES] was speaking, he showed you the book. There are at least 3½ or 4 pages of a single-spaced list contained in the book, and I hope you look at the book.



The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 106, noes 122.

Mr. YATES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PASSMAN and Mr. YATES.

The Committee again divided and the tellers reported that there were—ayes 131, noes 144.

So the amendment was rejected.

The Clerk read as follows:

International organizations and programs: For expenses authorized by section 302, \$153,500,000.

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: On page 2, line 15, strike out the period, insert a semicolon, and add the following proviso:

"Provided, That contributions to any international organization or program shall not exceed 50 percent of the total amount of contributions to such organization or program."

Mr. JONES of Missouri. Mr. Chairman, this is a very simple amendment. When we passed the authorization bill the contributions to two funds, the United Nations expanded program on Technical Assistance and the United Nations Special Fund were limited to contributions not to exceed 40 percent. That is, our contribution to these two funds may not exceed 40 percent. A few years ago we had a limitation of one-third on the various programs to which we contributed in the United Nations. It seems that we have gotten back in the old groove. Today we are contributing as much as 70 percent or more to some of the programs under the United Nations.

Mr. Chairman, I had originally intended to offer this amendment limiting contributions to any program to 40 percent, but on the theory that when you get up to 50 percent, and when you are contributing more than half you should have the entire control over the program. If it is to be an international program all of the other members of the United Nations together should contribute an amount at least equal to what we are contributing. If we are going to contribute more than 50 percent, let us make it a U.S. program and have complete control over it and run it ourselves. That is how simple my amendment is.

If you want a United Nations program, this amendment would limit the United States to not more than 50 percent of the cost. If you want to contribute more than that, you do not want to vote for my amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Iowa.

Mr. GROSS. There is no way that you can say you are going to control the program if we contribute 50 percent.

Mr. JONES of Missouri. If we contribute more than 50 percent. I want

to pay it all and let the United States run the program. But if we are going to contribute 70 percent, as we are doing at the present time, and other people contributing 30 percent—they say they are getting their help from the United Nations, they do not give the United States any credit for it—it is a United Nations program, and if it is a United Nations program, let us limit our contribution to not more than 50 percent.

Mr. GROSS. You have already put up 50 percent.

Mr. JONES of Missouri. No. That is the top. This would keep us from going up to the 70 percent as we are now in some instances.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Missouri [Mr. JONES].

Mr. Chairman, our committee sat in two sections in order to speed up the hearings and present this bill as speedily as possible to the House. The chairman asked me to conduct the hearings on the United Nations funds. I think there is just one program in which we are giving today approximately 70 percent. That is the refugee program. It is a United Nations program, and it seems to me if there ever was a time when we should not do anything to disturb our relations with the United Nations, it is today.

The United Nations has not accomplished, I will admit, all that we had hoped for, but it has been fruitful in its accomplishments. We might be in greater trouble today had it not been for their action in the Congo and in some of the other places. At least, it is the only world organization that we have today where we can attempt to solve our problems. If we disturb our relations with the United Nations it will cost us far more than the few dollars we are paying into this one program.

Let me say in addition, and we have this situation with one or two of the programs. We contribute to the United Nations program. Then the United Nations requires the recipient nation to match the United Nations funds. Therefore, when you consider the funds put up by the United Nations, and in addition the funds put up by the recipient nations, our percentage drops perceptibly and we are not contributing as high as would appear from the record of our contributions to the United Nations itself.

I think this is a very bad time to disturb any relations that we have with the United Nations. I hope that we will vote this amendment down.

Mr. Chairman, with all due respect to my good friend, the gentleman from Missouri [Mr. JONES], I love him dearly, I know he is trying to do what is right, and I have a great deal of sympathy with his position, but I cannot go along with him at the present time.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I certainly want to concur in the statement made by my distinguished colleague from Virginia [Mr. GARY]. At

present we are putting up about 33 percent. This is only a \$13 million item. It goes to those poor, unfortunate refugees in the Middle East. Even with this meager amount of money we are only providing about \$30 per year. This represents a starvation existence at best. I hope the humanitarian aspect of this will prevail and that we will vote down the amendment.

Mr. GARY. May I say, Mr. Chairman, were told that they were working on getting greater contributions from the other nations. They hope this year they can get it down to 40 percent. The administration representatives told us that they were working on that problem, and they are trying to get the other nations to put up more money.

Mr. Chairman, I do not think this is going to be a problem very long.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman a question. Is it true that with all of this financing we are contributing from 33 percent up? I do not know of any contribution that is being made at less than 33.3 percent to the various United Nations funds. Does the gentleman from Virginia know differently?

Mr. GARY. I think that is probably the lowest.

Mr. GROSS. In other words, it starts at 33.3 percent and goes on up.

Mr. GARY. Most of them are around 33.3 percent. When you consider both the funds put up by the recipient nation and the funds put up by the United Nations, in some of them we drop down as low as 12 and 15 percent.

Mr. GROSS. Mr. Chairman, this subject has been before the House before, and I do not think there has been any change in it, although we were promised there would be a change.

I notice in the hearings that there are 1,378 United Nations technicians floating around all over the world. Of the 1,378 technicians exactly 134 are Americans. Why has not this situation been changed?

Why should we pay the lion's share of the salaries and expenses of all these foreign technicians?

Mr. GARY. The United Nations is an organization of the nations of the world, and our representatives to that body have tried to remedy these conditions. I think they are doing the very best they can under the circumstances. It is just a question of whether we want to be in the United Nations, or whether we want to be out of the United Nations.

Mr. GROSS. I will say to the gentleman if that is the best explanation we can get, it is about time that we cut out the funds and tell the United Nations we are through.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I want to ask the chairman of the subcommittee a question, Mr. GARY or Mr. PASSMAN. When we contribute 70 percent of the cost of a program do we also furnish 70 percent of the technicians which operate that program?



Mr. PASSMAN. Not necessarily so. It may be 100 percent, and in another instance it may be 20 percent.

Mr. JONES of Missouri. Wait just a moment. Do you know of any program in which we have 100 percent of the technicians?

Mr. PASSMAN. I do not think I could answer right now specifically.

Mr. JONES of Missouri. I know you could not.

Do you know the reason I brought this up? Because I have said on this floor so many times with reference to this refugee program we are talking about that the United States pays 70 percent of the cost, the United Kingdom 18 percent of the cost and the rest of the nations 12 percent of the cost. They use our money to buy surplus agricultural commodities from other countries which do not have as much surplus as we do.

That is what I am trying to get. If we are going to pay 70 percent of the cost and permit our money to be used for buying surpluses from other countries I say let us pay 100 percent of the cost and send our own commodities over there and get credit for the whole thing instead of being a part of a so-called international organization that we are supporting and getting no credit for.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROONEY. Is it not a fact that if this pending amendment were adopted it would mean the immediate collapse of the Belgian Congo operations military as well as otherwise; does the gentleman realize that?

Mr. GROSS. I have not said that I support this amendment. I am asking why we have only 134 out of 1,378 technicians although we are paying the lion's share of the bill. As far as the Congo operation is concerned, I noticed in the paper a day or two ago that a couple of British soldiers were killed and eaten by the natives in one of those countries.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PASSMAN. Of course, the gentleman understands that of the \$135 million only \$13 million is for the refugee program and that is the only one which runs up to 70 percent.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, only a few days ago there were quite a number of Members of this body passing through the well literally tearing at the throat of Fidel Castro. If those who were so doing—and I was in sympathy with their remarks—are still of the same feeling and attitude here is one opportunity for them to do a little bit of something about Mr. Castro. You will not have the opportunity of doing much, but you will have the opportunity of doing just a little bit of something. I hold in my hand a story which I clipped from the papers just a few days ago. It reads as follows:

WASHINGTON, August 20.—Fidel Castro may soon be receiving U.S. foreign aid money. The gimmick is the United Nations Special Fund—

Which my colleague and friend from Missouri [Mr. JONES] is attempting to amend—

which was established a few years ago to help underdeveloped countries. It draws on the U.S. Treasury for 40 percent of its money. Cuba has applied to the fund for approval of a \$1 million project to help the country diversify its agriculture.

Now, it is just as simple as this: I do not want to pay any of it, and I am not going to vote to pay any of it. But the best opportunity I have here today to pay the least possible amount of it is to vote for the amendment of the gentleman from Missouri. Those of you who want to pay 70 percent of it—and incidentally, the fallacy of the news story is that the writer thought it was only 40 percent, but they have been slipping 30 percent more through the side door, making 70 percent in all. Those of you who want to finance 70 percent of this U.N. fund to help Fidel Castro finance his agriculture projects for the purpose of elevating his own economy, to eventually knife the United States, then vote against the amendment of the gentleman from Missouri. Those of you who want to do just a little bit of something, particularly those who paraded through the well of this House the other day screaming about Castro, vote for this amendment. I hope it will be adopted.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I trust you will vote down this amendment. It is a matter of policy, the programs we enter into with other nations are handled by the United Nations. Your committee elected not to make any reduction on any United Nations programs. I am willing to trust the President to see that these funds are administered fairly. Inasmuch as you are in the field of policy, you would upset the agreements we have already entered into. I hope you will vote down the amendment, then possibly next year you can appear before the committee and make your case. But do not ask us to upset a commitment already in effect.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Is it true that if this bill passes without this amendment in it Fidel Castro will get any money from the United Nations?

Mr. PASSMAN. We have no particular power over what nations will or will not get funds from the United Nations. It may be Castro will not get a dime. I do not know what will be the policy of the United Nations. I am not any happier than the gentleman from Mississippi about that situation.

Mr. ABERNETHY. But if he gets any money at all we will contribute to what he gets?

Mr. PASSMAN. The committee report states:

The committee endorses the language of section 620 of the Foreign Assistance Act of 1961 which proposes to restrict U.S. funds to the Government of Cuba or other Communist-dominated countries.

Mr. ABERNETHY. I understand it has already been approved.

Mr. PASSMAN. The report further states:

The Secretary of State and the U.S. representatives to international organizations are urged to use every reasonable means to prevent the continuation or initiation of multilateral projects or programs in Cuba or other Communist-dominated countries which are funded, in part, by contributions from the United States.

We gave you a very strong report, and that should be sufficient. I hope it will.

Mr. ABERNETHY. The gentleman does not favor the giving of this money to Castro?

Mr. PASSMAN. I certainly do not.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. Is it not true that an amendment was offered in the committee to put language in the bill to prohibit payments to Castro, and after long deliberation the committee decided the language properly should be in the report rather than in the bill, and the committee has expressed itself very strongly in the report against any contributions to Castro?

Mr. PASSMAN. The gentleman is absolutely correct. It is in the report. We hope the report will be sufficient to express the views of this Congress. I hope you will vote down the amendment.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to inquire of the author of the amendment relative to its operation. I might say to the gentleman I am in favor of the amendment, but there is something that worries me a little bit. We do have legislation that puts the contributions of the United States at not more than 33½ percent. Would the gentleman's amendment in any way change that limitation, which is already in the law, so that those contributions that now are limited to 33½ percent by law would be raised to perhaps 40 or 50 percent?

Mr. JONES of Missouri. I hope it would not. I tried to put a limitation on the law. I would think this amendment the way it is written would take into account the participation of the other contributing nations. Certainly when we do not want to contribute more than 50 percent to any program I think the total amount of the contribution should be considered, which means the contribution of the United States and the contribution of the participating nations.

Mr. BOW. The gentleman from New York [Mr. ROONEY] is the chairman of the subcommittee of which I am a member. We make some of these appropriations. I would be for the gentleman's amendment if it does not do that. I would not want to have it raise the ceiling.

Mr. ROONEY. If the distinguished gentleman from Ohio will take some good advice, he will follow me in voting against the pending amendment which would wreck the very important Palestinian refugee program, and that situation there in the Middle East is the worst in the world, as well as the Belgian Congo operation of the United Nations.



Mr. BOW. I do not yield any further to my distinguished chairman.

Mr. ROONEY. The gentleman may be sure that this is going to create a floor and not a ceiling, and will be more costly in the end.

Mr. BOW. I would like to point out in support of the gentleman's amendment that I am still concerned about the other question. On page 183 of the hearings of the Foreign Operations Subcommittee, the matter of the worldwide water supply is taken up, and you will note from that that of the \$400,000 the United States is contributing 100 percent. Not 70 percent but 100 percent. May I point out to you that this is on page 183 of your hearings. May I say further in support of the gentleman's amendment that of that 100 percent, we are contributing in 1960, \$13,756 went to Cuba. In 1961 that was not reduced, but it was a higher amount in 1961 when \$16,200 went to Cuba. So I think the gentleman's amendment has merit, if we are not going to lose the limitations that are already on this. I wish the gentleman could assure us that his amendment does not affect the limitations already established by law.

Mr. LIPSCOMB. Mr. Chairman, I move to strike out the last word.

(Mr. LIPSCOMB asked and was given permission to revise and extend his remarks.)

Mr. LIPSCOMB. Mr. Chairman, I wish I could support the amendment submitted by the gentleman from Missouri [Mr. JONES], but we do not know how this amendment would accomplish the purpose which he intends. If we could be assured it would, I would give it my support. The only way we are going to get at the problem is to cut the appropriation. At the present time, we have certain commitments that we must keep and, regretfully, we have to support this appropriation for the time being. When this bill was before the full Committee on Appropriations, I offered an amendment to reduce this item of \$153,500,000 by \$700,000. This amount was the closest that I could estimate as being the amount of U.S. contributions to international organizations going to the Castro Communist Cuba regime.

Mr. Chairman, the report which accompanies the bill making appropriations for foreign assistance for fiscal year 1962 (H.R. 9033) sets forth on page 6 a clear-cut request which should be given immediate attention by the administration. The committee report states:

The committee endorses the language of section 620 of the Foreign Assistance Act of 1961 which proposes to restrict United States funds to the Government of Cuba or other Communist-dominated countries.

The section of the Foreign Assistance Act referred to reads in part as follows:

(a) The Secretary of State and the U.S. representatives to international organizations are urged to use every reasonable means to prevent the continuation or initiation of multilateral projects or programs in Cuba or other Communist-dominated countries which are funded, in part, by contributions from the United States.

It is vital, Mr. Chairman, that the Secretary of State and the U.S. repre-

sentatives take action immediately as urged by the committee.

U.S. contributions for fiscal year 1961, both assessed and voluntary, amounted to \$241,799,522 to over 50 international organizations and their related activities. In the appropriation bill for foreign assistance for fiscal year 1962 is the amount of \$135,500,000. Additional substantial amounts are contained in the State Department and in the Inter-American Social and Economic Cooperation Program Appropriation Acts for fiscal 1962.

It appears that very few, if anyone, have ever attempted to figure out where this money actually goes, and actually what it is used for. International organizations have grown over the years so rapidly that they appear to be an administrative monster and a financial nightmare to the U.S. taxpayer.

The fact that we are giving aid to the Castro Communist Cuban regime through various international organizations to which the United States contributes brought about the need for Congress to express its deep concern as stated in the committee report. It is vital that our contributions to international organizations are not diverted to the Communist Castro regime or any other Communist-dominated countries.

The taxpayer is well aware of the well publicized agriculture research grant to Cuba made on May 24, 1961, by the United Nations special fund in the amount of \$1,157,600, to which the United States contributed 40 percent.

But does the taxpayer know he is indirectly buying Russian 4-wheel drive jeeps for Castro?

Does the taxpayer know his dollars are sending young Cuban Communists throughout the Western Hemisphere under a so-called fellowship program? I doubt it.

During the recent hearings before the Foreign Affairs Committee, Deputy Assistant Secretary of State for International Organization Affairs, the Honorable Richard N. Gardner, testified as to the goals of the necessity of our contributing to these international organizations. He said:

Let me reaffirm our basic conviction that the national interest of the United States is served by continued support of international organizations at both the universal and regional levels. The goal of our foreign policy is an open world society of independent states in which people everywhere can realize their aspirations for prosperity and freedom. This is also the goal laid down in the United Nations Charter. It is a goal utterly inconsistent with the achievement of a monolithic world Communist state.

If it is the policy of our Nation to contribute heavily to these international organizations to accomplish the goals of which Secretary Gardner speaks, is it not logical to demand an accounting of our dollars? To see that these organizations do not continue or initiate projects to build up Communist-dominated regimes such as Cuba?

The taxpayers have been told by the administration that they will have to make tremendous investments in Latin America in accordance with the alliance for progress program which Secretary

of the Treasury Dillion signed last month. But there seems to be a distinct difference between what we preach, and what we practice. Secretary Dillon has said that the United States dollars involved in the alliance for progress program are not destined for Cuba. In his closing speech, he said that Cuba will not benefit from the huge economic alliance, "as long as the Government of Cuba remains under the control of a foreign power; namely, the Soviet Union."

It seems strange that the Secretary could make such a promise when international organizations which will handle portions of these programs are already dealing to a great extent with the Castro Communist regime.

I have had occasion to become concerned with just one of these organizations, and I believe its operations might well be indicative of others. One of this organization's recent contributions to Cuba is Soviet jeeps. This example, on which I will talk further later, is only one example of the mysterious workings of the Pan American Health Organization.

THE PAN AMERICAN HEALTH ORGANIZATION  
(PAHO)

The Pan American Health Organization, commonly known as PAHO, is described in the 1960 Organization of American States' annual report of the Secretary General on page 79 as follows:

The Pan American Sanitary Bureau (PASB), the Secretariat of the Pan American Health Organization (PAHO), is the oldest international health agency in the world, having been established in 1902. Steady expansion since that time, including reorganization in 1947, has placed the PAHO in a position to strengthen national health programs individually and to coordinate health activities internationally throughout the Western Hemisphere. The organization serves in the dual capacity of the OAS Inter-American Specialized Organization, in the field of public health, and regional organization of the World Health Organization for the Americas. The PAHO comprises four bodies: (1) The Pan American Sanitary Conference, the supreme governing body of the organization; (2) the Directing Council; (3) the Executive Committee, and (4) the Pan American Sanitary Bureau, the operating arm of the organization.

PASB programs are carried out through a headquarters establishment in Washington, D.C., and a system of zone and field offices. By the end of 1960, the regular staff of the organization totaled 837, of which 407 were international staff members and 430 locally recruited. There were 229 persons at headquarters and 608 in zone offices and field projects. It is significant that the regular budget of the organization has increased 80 percent since 1955, the greatest expansion being in field activities. The Pan American Health Organization's regular budget for 1959 was \$3,600,000 and for 1960 was \$4,100,000; for 1961 its budget is \$4,700,000. On the face of it, it would appear that the regular budget of \$4,700,000, is rather a modest budget for the ambitious program that PAHO seems to participate in, but over and above the so-called regular budget, additional substantial amounts are received from other sources.



From records available to Members of Congress, it is practically impossible to arrive at the actual amount of their entire budget, or their actual operations. Some of the financial transactions of the Pan American Health Organization are traceable through the hearings of various congressional committees.

For contributions to the regular budget of PAHO, the United States is assessed at 66 percent of the total assessed budget, or \$2,640,000. The United States contributes to the malaria eradication program in the amount of \$1,500,000. The United States participates in the water supply program in the amount of \$125,000. Besides these direct U.S. contributions, other international organizations in turn contribute to the Pan American Health Organization. The World Health Organization's malaria eradication program, to which the United States has been contributing 90 percent, contributes to PAHO. The United States contributes to the United Nations Children's Fund; it in turn contributes to the PAHO. The U.S. Department of Health, Education, and Welfare recently made a grant to PAHO in the amount of \$120,750. So the list goes—on and on.

The situation becomes, as can be seen, a financial nightmare, with funds commingled and agency responsibilities overlapped and lost.

It should be pointed out that only 4 out of the 21 member countries of the Pan American Health Organization have no unpaid contributions due. The last date for which a financial report of the Director is available, Cuba was in arrears for a period of 2 years; in 1959 in the amount of \$64,400 and for 1960 in the amount of \$73,600. As of January 1, 1961, an additional assessment in the amount of \$86,010 was due, making a total of \$224,010 unpaid or due. The total unpaid contributions to the Pan American Health Organization as of December 1960 was \$1,483,693.

The growth of PAHO-WHO expenditures in Cuba and how these expenditures have grown since Castro took over, can be seen by the following:

In 1958, expenditures were \$37,045; in 1959, expenditures were \$99,081, and in 1960, the expenditures were \$169,767. The approved budget for 1961 was \$373,871, an increase over 1960 in excess of \$200,000.

The 1961 estimated budget which has been approved for allocation is estimated to go to the following projects: Yellow fever eradication, \$63,211; malaria eradication, \$178,766; public health administration fellowships, \$12,900; public health services, \$73,064; nursing education, \$25,650; promotion of community water supply, \$14,580, environmental sanitation, \$4,800. It should be remembered that these budgeted figures for Cuba do not include administrative personnel, both in Washington, D.C., and in Cuba. If these amounts could be determined, the Cuban expenditures would be much greater.

It can clearly be seen from the figures that in 1958, when there was no Communist Fidel Castro government in Cuba, only \$37,045 was expended. How-

ever, after Castro came to power at the beginning of 1959, the projected funds proved insufficient. Allotments of funds for Cuba continue to rise and budgets are revised again and again and more money is allocated for the support of the Castro Communist regime at the expense of U.S. taxpayers.

Certainly we must realize that Castro is not going to praise the United States for paying over 66 percent of the cost of the so-called health plan contributed by PAHO.

#### THE MALARIA ERADICATION PROGRAM

The project to best demonstrate the increased activity in Cuba since Castro took over is the malaria eradication program. According to a recent survey in 1940 there were 1,105 cases of malaria, or 24.2 cases per 100,000 people, and there were 194 deaths, or 4.2 deaths per 100,000 people. The incidence rate has steadily decreased since this 1940 figure. For 1959, there were 140 malaria cases, or 2.2 cases per 100,000 people. There were 11 deaths, or 0.2 deaths per 100,000 people.

During 1958, PAHO-WHO approved a proposed budget for malaria eradication in the amount of \$14,321. The actual expenditure for 1958 turned out to be only \$3,521. In 1959, the PAHO-WHO apparently decided that malaria presented a serious menace to the Cuban population and launched an all-out campaign to eradicate the malaria in Cuba. What official report caused the increase or the necessity to launch an all-out program for malaria eradication in Cuba at this time is unknown. In 1959, PAHO-WHO spent \$31,471, almost 10 times as much as in the previous year. In 1960, \$25,749 was spent on the campaign. For 1961, PAHO-WHO has allocated \$79,766 to the Cuban malaria eradication program, over 20 times as much as in 1958.

The figure of \$79,766 does not include an additional allotment approved May 29, 1961, in the amount of \$99,000 for 32 four-wheel drive jeeps for purchase from WHO malaria eradication special account, using the Soviet Russia ruble account. This brings the Cuban malaria eradication allotment total to \$178,766 for 1961.

#### SOVIET JEEP PURCHASE

The purchase of 32 Russian-made jeeps to be used in the malaria program in Cuba, 19 on delivery now and 13 more to be delivered by the end of the year, a total fleet of 32 Russian jeeps, presents a most interesting example of the type of aid being given to Castro's Communist government.

The Russian jeeps which are being procured have a Russian designation of GAZ-69. They are eight-passenger, four-wheel drive vehicles, and are designed for transport of passengers and freight. These jeeps are said to have a high ability for traveling over all kinds of terrain. It has, according to the Soviets, the capability of traversing various obstacles such as canals, ditches, rocky and roadless terrain. It is obvious that these vehicles could very well have a military potential and capacity.

According to information I have been able to gather, high-ranking officers of PAHO-WHO were given to understand

that the U.S.S.R. would be willing to provide 19 of its jeeps to the World Health Organization special malaria eradication account provided they were allocated to Cuba. After the offer was made, Dr. Escalona, Subsecretary of Health of Cuba under the Castro Communist regime, was contacted regarding the possibility of the Government obtaining spare parts for Russian-made vehicles should these be furnished for malaria eradication programs. Dr. Escalona assured PAHO that this would be possible for his government to do. The Washington office then informed the World Health Organization in Geneva, Switzerland, that the Cuban Government was anxious to begin what they termed "geographical reconnaissance activities," and that the full complement of international staff was selected and ready to begin work. The date was December 16, 1960. In January, Dr. Oswaldo J. de Silva, chief of the malaria program for PAHO-WHO, made it clear that the GAZ-69 model offered by Russia could not be used for spraying as previously planned, but nevertheless the jeeps could be used for supervising the operations and transporting the evaluating personnel.

In April 1961 the request was made to WHO special malaria eradication account for 19 Russian jeeps for immediate delivery in the amount of \$43,752, and the request was made for 13 additional vehicles for the program, to be supplied in the third quarter of 1961, bringing the total jeeps to 32. WHO notified Pan-American Health Organization in April that an allotment of \$44,000 had been granted for the purchase from the U.S.S.R. rubles account and then on May 29, 1961, PAHO was notified that the allotment would be increased from \$44,000 to \$99,000. This action clearly indicates the entire request is being honored.

It is paradoxical that the United States participates in the Pan American Health Organization which makes an all-out effort to obtain four-wheel-drive vehicles for use in the Castro Communist regime without it appears making an effort to find out specifically what their use is really going to be, or the need. I doubt whether our State Department knows how the malaria eradication program is organized or operating, by permitting this action.

At the same time these arrangements were being made an announcement on June 9, 1961, was made that the United States was tightening regulations against export to the Congo of four-wheel-drive vehicles which could have military use. The State Department at that time said it was asking U.S. allies to take the same action. At that time, the Commerce Department issued new regulations effecting banning shipment of such vehicles to the Congo, except to United Nations' forces or in cases where they would clearly not be used for military purposes.

When the United States took this action it said that four-wheel-drive vehicle capable of going across country could be extremely dangerous.

It seems to me that the request for the 13 additional jeeps for Cuba should be canceled immediately, and if the 19 that were allowed to be ordered so far have



not been shipped, they should also be stopped immediately. I have sent a telegram to the Secretary of State urging him to use his influence to see that this is done.

In February of 1959, an agreement was signed between the Pan American Sanitary Bureau and Cuba for a plan of operations for the program to investigate eradication of malaria in Cuba. Part 4 of this plan is entitled "Commitments of the Government," and states as follows:

The government [Cuba] agrees to provide materials, equipment, transports, and other facilities necessary for the efficient development of the project.

Part 5 of the agreement, entitled "Commitments of Pan American Sanitary Bureau and WHO," states:

Equipment and supplies required to enable international personnel to carry out their functions.

It appears that according to the agreement, Cuba is not entitled to receive a contribution of vehicles for transportation.

An official booklet intended primarily for prospective candidates and staff members of WHO, entitled "Basic Facts About the World Health Organization," states the following in explaining the malaria eradication special account (MESA):

For the region of the Americas, PAHO has set up its own special malaria fund, on similar lines; the funds of MESA are used for work in the other five regions.

If this is the way MESA is supposed to operate, why were Soviet jeeps sent to Castro's Communist Cuba from WHO malaria eradication special account?

It should be pointed out that the U.S. contribution to the WHO malaria eradication account—MESA—has been 90 percent.

The U.S. Government has repeatedly requested other governments, including the U.S.S.R., to contribute more to the worldwide malaria eradication program. The U.S.S.R. contributed these jeeps as part of their contribution in kind. No matter how you approach it, the United States is contributing to a program to send four-wheel-drive vehicles to the Communist-dominated Castro government which can be used not only for malaria eradication, but could well serve a military purpose.

#### CANTEENS, COMPASSES, AND FLASHLIGHT BATTERIES

In connection with this same program, PAHO-WHO has fulfilled other questionable requests from Cuban authorities for supplies and equipment. They have requested and received 143 open-faced-dial magnetic compasses. They have requested and received 270 aluminum canteens with a 1-quart capacity, with carrying strap. They have requested and received 6,000 flashlight batteries. Now, Mr. Speaker, maybe four-wheel-drive jeeps, compasses, canteens, and flashlight batteries are needed for a malaria eradication program, but at the same time, let us face up to the fact that they can also be used for military purposes. Isn't it about time that we evaluated and took a look at the programs

which we are supporting with our contributions?

It is possible that the malaria eradication campaign in Cuba has opened a terrific front for the Communists to operate in and out of Cuba. The PAHO-WHO not only provides a well organized apparatus to promote international communism, but its funds are also being used to equip a Communist country with vehicles and equipment that could be used to repel any attempt of the free world to liberate Cuba, and the U.S. taxpayer is contributing heavily toward footing the bill.

#### PAHO FELLOWSHIP PROGRAM

Another program that has received a great increase under the Cuban PAHO program is the fellowship program. It should be remembered that in accordance with the rules of PAHO-WHO, the fellowships are awarded to the persons, "on the recommendation of his government." Knowing that Cuba is a Communist regime and knowing how the Communists operate, it is obvious that the persons endorsed by the Minister of Health are persons who deserve his utmost confidence.

The fellowship program for public health administration is budgeted for 1961 in the amount of \$12,900. A significant example of how the fellowship program operates was the sending of 4 fellows to the WHO training course on polio control in Prague, Czechoslovakia, the 29th of May through the 24th of June 1961. Its purpose, it has been stated, was to afford virologists advanced training in diagnostic procedures, tissue culture techniques for vaccine production, and control and evaluation of vaccine in field use. The meeting was part of a program of the European region of the World Health Organization which is comprised of the countries of both Eastern and Western Europe, not including, however, unrecognized regimes such as East Germany. The meeting was listed in the world health program and budget for 1961 which was first published in 1959 and approved in May of 1960. The budget for the meeting itself was \$7,000, about one-third of which was contributed by the United States.

There were to be no participants from the United States. Virologists from the following European countries were to take part: Austria, Bulgaria, Italy, Greece, Spain, Yugoslavia, Portugal, Switzerland, the Federal Republic of Germany, Rumania and Poland. Strangely enough, 4 fellowships were offered by the Pan American Health Organization to attend this meeting in Czechoslovakia at a cost of \$6,885, 60 percent of which was contributed by the United States. For what reason were they sent to this meeting when it was not for Western Hemisphere participation? One of these fellows was a Cuban. He received \$1,560 for the trip—\$440 stipend, \$900 travel, \$220 tuition, total \$1,560. The other three fellowships went to men from Mexico, Brazil and Chile.

As every Member of the House knows, Czechoslovakia on May 9 pledged their support to back Fidel Castro's revolution with economic aid and if need be, military assistance.

#### PAHO-WHO, UN/TA INTERRELATIONS

In November of 1960, a request was made by the Cuban Government for a consultant to serve a period of no less than 3 months to advise on the disposal of garbage and refuse for the city of Havana. At that time, the Washington office of the Pan American Health Organization advised the Cuba office that there were no funds available to provide for a consultant service in the field of garbage and refuse disposal. PAHO indicated that they had explored the possibility of utilizing savings for this purpose for the balance of 1960, and found that this could not be considered either. Then they told the Cuban office that for 1960 and the balance of this year there was no possibility of Washington meeting this particular request and called attention to the fact that in 1961 funds had been proposed for a short time consultant for 2 months in this particular field. However, it was their intention that the consultant would serve several countries because it would be rather inequitable to allot all of the 2 months' service to one government. Because of this refusal, Cuba evidently submitted the request to WHO; it in turn submitted it to the technical assistance board of the United Nations and they granted the request to Cuba. The executive chairman, it is said, recognized the urgency of the request and therefore gave his approval to an allocation of \$4,800 from the capital in the reserve fund for this purpose.

It is interesting to note that in the latest 1961 PAHO approved budget, there is an item entitled "Cuba 14 Environmental Sanitation," \$4,800, which indicates that the request is now a permanent part of the 1961 budget.

#### EMERGENCY REVOLVING FUND

Another interesting operation of the Pan American Health Organization is the emergency revolving fund. The emergency revolving fund is available according to their own manual for the purposes of providing immediate relief in cases of unforeseen emergency health problems. From the best information available, it appears that out of this emergency revolving fund Cuba has received more than \$13,000 which is over and above the other items set forth previously. What this expenditure represents is unknown. This fund is maintained at \$50,000 and is administered by the PAHO Director. Whether or not all of the requirements, fiscal or otherwise, are followed in making payments from the emergency fund is not known, but it certainly is one area that should be looked into as to whether or not the emergency fund is being used for proper purposes and is being administered in a proper fashion.

The items set forth are only a few that I have been able to develop. It is, as I said at the outset, practically impossible for anyone who is not closely associated with the organization to delve completely into all of the details. It seems that if the United States is asked to contribute the largest portion of the operation of this international agency and others, we have a right to know whether or not the funds which we contribute are being handled in a prudent and wise manner.



which will benefit the free world. For some unknown reason which needs to be fully explained, the Pan American Health Organization has been increasing the programs in Cuba to a considerable degree since Fidel Castro put the yoke of communism on the Cuban people. If the Pan American Health Organization or its associated organizations can justify in any way helping a regime which goes contrary to the goals of free peoples all over the world, I would like to have their explanation. If the State Department can in any way justify imposing upon the American taxpayers the responsibility of supporting the Communist programs in Cuba, I would like to have their explanation. I believe we all want to help unfortunate people throughout the world maintain the best health standards and to develop their countries for better living and a fuller life. But at the same time, there is no excuse for helping the advancement of international communism.

Mr. Chairman, I completely agree with the request in the committee report and urge the Secretary of State and the U.S. representatives to international organizations to use every reasonable means to prevent the continuation or initiation of multilateral projects or programs in Cuba by the Pan American Health Organization and its affiliated organizations.

Let us not continue to go down the road of using our resources to help countries who are out to see our downfall. There is no time to waste. It should be done now before our deep involvement in the alliance for progress \$20 billion program. The American taxpayer is entitled to more than another costly mistake.

Mr. Chairman, I believe the Committee on Appropriations performed a real service by placing language in the committee report, pertaining to funds being contributed to international organizations. I hope that the committee will follow through on these international organizations and see if there is some way that Congress can either cut the funds contributed or find out where the money is going, what it is being used for, and whether it is being used in the interests of the free people all over the world. That is the purpose that we are appropriating all these great vast amounts of money.

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield, I promise the gentleman we will do the very best and will try to give you more information on it the next time we consider the bill.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman from New York.

Mr. LINDSAY. I just take this time to point out—and I do so only for fear that out of emotional anti-Castroism this amendment might pass—that one danger is in the Middle East. This country contributes 70 percent, as has been pointed out, for UNRRA, and if it was not for this agency at this moment, that whole area would blow up like a tinderbox explosion. If there is one thing that keeps the lid on that dan-

gerous and sensitive situation of 7½ million refugees in teeming camps, it is the work of UNRRA, and the best thing we can do, if we want to trigger off an explosion in that part of the world, which could trigger off an explosion in other parts of the world, would be to vote for this amendment right now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. JONES].

The amendment was rejected.

The Clerk read as follows:

Contingency fund: For expenses authorized by section 451(a), \$175,000,000.

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 2, line 19, strike out "\$175,000,000" and insert "\$275,000,000".

Mr. BOLAND. Mr. Chairman, the President has the direct responsibility for the conduct of the Nation's foreign policy and foreign relationships. In the years following World War II, many situations have arisen which required an immediate response by America if we were to have any influence at all on the outcome of history. America cannot afford to play the role of spectator in this game if we are to discharge our responsibilities to ourselves, to other nations, and to our children and our children's children. We must be prepared at all times to be active participants.

America has shown over her history a willingness to respond to every kind of contingency. We have been generous with our resources; we have been unsparing in our willingness to meet crises in the face of the awful tragedies of global war. America has produced monumental contributions of material, of manpower, to sweep back the tides of tyranny.

Everyone of us knows that "an ounce of prevention is worth many pounds of cure." The history of the past 15 years is studded with evidence of the successful use of American power. Because we have given the President the power, in the past, to respond quickly, we have undoubtedly avoided far more serious consequences in many parts of the world. This power is conveyed in the contingency fund which we give the President.

Last year the President required \$274 million of that Contingency Fund. With the benefit of the hindsight of the past several weeks the President appears to have been amply justified in asking that, this year, he be given \$500 million for use to meet contingencies wherever they may arise, be it in Berlin or Laos, in Vietnam or the Congo, in Brazil or Iran. We cannot know now the exact nature of the challenges that will arise, nor their extent, but we certainly cannot afford to leave America stripped, helpless, and handcuffed in the face of the many contingencies that are already visible to the thoughtful citizen. The Congress has already reduced in the aid bill just enacted the President's Contingency Fund from the \$500 million requested to an authorization of only \$300 million. We know that the President will not spend this money if he does not need to

do so; but it is far better to have the power and not need it than to need it and not have it.

The Congress is shortly planning to go home until January. Surely the prudent course was not the course of the Appropriations Committee which cut the appropriation to \$175 million, which is \$100 million less than last year's funds. Surely no Member of this House believes that the risks we face with the contingencies that will arise will be less in fiscal year 1962 than they were in fiscal year 1961. This is a time when tens of thousands of our Reserves are being called to duty; when more of our troops are moving to battle lines in Berlin; when the Soviets are threatening Greece with reprisals if she does not withdraw from NATO military exercises; when the cold war, unfortunately, is coming closer to the brink of a hot war with each passing week.

I ask the House to support the amendment to restore \$100 million to the Contingency Fund. And it is my fervent prayer that the events of the coming year will be such as to make that a sufficient sum. Certainly every Member knows that if our response is inadequate, the risk is far greater that we will be here on some future date appropriating not \$275 million but, as in World War II, \$300 billion to deal with the tragedies that will have befallen us.

Mr. Chairman, let me tell you what Secretary of State Rusk and Secretary of Defense McNamara say relative to the item:

We view with deep concern the cut in this item, particularly in view of the extensive cut already made in the administration's request by the authorizing legislation. The coming months will be most difficult ones and it is likely that there will be several occasions where there will be a paramount need for having funds available on short notice. This need will unquestionably be accentuated because of the reductions in supporting assistance already made by the authorizing legislation.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. TABER. I just wanted to say that I believe the \$175 million provided by the committee is ample for the contingency fund. It does not include any money for the Peace Corps.

Mr. PASSMAN. Mr. Chairman, I hope Members will listen. I shall be brief. We have yet to find any real emergency project that has ever been started out of the contingency fund, although I can say that in one specific instance they took money out of the contingency fund to nullify reductions that the Congress had made in the regular items. They merely transferred money out of the contingency fund in order to offset the cuts we had made in other grant-aid programs. They admit that.

I will cite some of the things for which the contingency fund has been used. If you will refer to page 962 of the hearings you will get an idea: In Liberia, government reorganization and management; in Pakistan, a transport feasibility survey; in Afghanistan, con-



trol of African horse sickness; in Brazil, the purchase of a complete apartment house in Brasilia to house American personnel. For roads, an engineering analysis survey. That was in British Guiana; and in Ecuador a low-cost housing program.

Then they have a list of gifts they made out of the contingency fund to some of the newly independent states.

But you do not want this fund to be such that they can spend \$460,000 to buy a complete apartment house down in Brasilia; you want a fund sufficient to meet emergencies—real emergencies.

In talking about the President I am not talking about him personally, but those to whom is delegated the power to allocate the funds. They may spread it thin and then we wake up to find that a small sum has been used in this way for a project that in subsequent years will require millions or hundreds of millions to complete.

We are giving more at this stage than the House recommended last year. We are \$25 million ahead of what the House recommended last year for President Eisenhower for fiscal 1961.

There is no justification for any increase. This is a place where we should be very careful because the matter can easily get out of hand!

I hope the amendment will be voted down.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Indiana.

Mr. ADAIR. Is it not true this money is entirely for economic purposes?

Mr. PASSMAN. I would like to say to the gentleman that the officials can allocate the money for any purpose they want to.

Does the gentleman realize they can transfer out of all the other funds into the President's contingency fund? They transfer out of Military Assistance, for instance. We gave the military more money than they needed last year. They transferred out of the military into the contingency fund, then from the contingency fund they made allocations to grant aid projects. This is the most flexible item in the bill.

Mr. ADAIR. Is it not true that in the authorization legislation there are \$300 million of military equipment that can be drawn on?

Mr. PASSMAN. Yes, but we will cross that bridge when we get to it.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Is it not true also as a matter of time, quite often the administration delegates funds from the contingency right after they become available? In other words, it seems that the funds are used for the different projects which were refused by the Appropriations Committee, and the House and Senate immediately after the bill passes. It seems to me—I think the gentleman will agree—the only contingency to guard against is the contingency that the House and Senate might not vote as much as they want.

Mr. PASSMAN. It is a rather open and loose proposition—as wide as the discretion of the executive.

Mr. Chairman, I hope the amendment will be voted down.

Mr. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I personally support this amendment. The President asked for a contingency fund of \$500 million. The authorization reduced that from \$500 million to \$300 million. This amendment would still leave the contingency \$25 million less than the authorization.

Mr. Chairman, world conditions as we can best see them for the next 12 months indicate we are going to have more problems rather than less? If that is a true assumption, and I believe it is, we ought to give more flexibility, not less, to the President in this category.

The question has been raised, Is this \$275 million or \$175 million limited to nonmilitary contingencies? Someone has indicated there is another \$300 million available for military contingencies. I would like to set the record straight once and for all, that you cannot use the military contingency fund or section 510 both ways. The argument has been made, I am sure it will subsequently be made, that section 510 of the authorization bill can be used to make up any deficiency in military assistance funds and to justify the cut in that account. At the same time some people are saying now we can use that program to help the nonmilitary contingencies.

I do not think you can have it both ways. You have to have it one way or you have to have it the other way. You cannot have both barrels. I say that because of the unforeseeable circumstances which will face the President in the next 12 months, circumstances which in my opinion are going to be worse rather than better. We in this body ought to give the President a greater amount of money to meet these critical emergencies and conditions.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Indiana.

Mr. ADAIR. Is it not true that heretofore the contingency fund has been for both military and economic purposes?

Mr. FORD. That is true.

Mr. ADAIR. In other words, last year's contingency fund of about \$275 million was both economic and military?

Mr. FORD. That is correct.

Mr. ADAIR. As now provided in the legislation there is \$175 million for the economic portion of this bill, and there is another \$300 million which can be drawn from military supplies and services. So, it is my contention that there is more money here for contingency purposes than we have heretofore provided.

Mr. FORD. The gentleman from Indiana [Mr. ADAIR] is correct, unless you follow the reasoning that some have put forth, that the military contingency fund is used to justify the reductions in the military assistance portion of this bill.

Mr. ADAIR. No; I am simply saying—

Mr. FORD. You are not saying that, but there are some people who say that. My point is that you cannot have it both ways. The gentleman from Indiana is accurate fair and frank but there are some who talk both ways.

Mr. ADAIR. If the gentleman will yield further, I think one can look at the total and see what we have for contingency purposes with respect to this section of the bill.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this kind of a setup that permits such things to be done as the Peace Corps, let us not have any more such projects as that. Let us wake up and realize that we have been given warning that we should not have too liberal a contingency fund. I hope the amendment offered in this case will be rejected.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that at this same period and at the same stage of the handling of the bill last year we only had \$150 million in the bill for the contingency fund?

Mr. TABER. That is right.

Mr. PASSMAN. And is it not also true that when we got through conference with the other body, we came back with \$250 million?

Mr. TABER. That is right.

Mr. PASSMAN. And is it not also true—and I want the gentleman to verify this—they had so much money in the contingency fund that they went down to Brasilia and bought an entire apartment unit and paid cash for it for the use of American personnel?

Mr. TABER. That is correct.

Mr. PASSMAN. Mr. Chairman, I hope that the amendment is voted down.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. CONTE. I would like to straighten out the record in respect to this entire housing project in Brasilia. This is not so. When the government moved up to Brasilia they had to have housing and office space for American technicians who are working in that part of the country. They fully justified the project before our committee this year on page 1022 of the foreign operations appropriations hearings.

Mr. PASSMAN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. They did not justify this project to the committee prior to obligation of the funds.

Mr. TABER. I have never heard of it before.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. I should like to say to the distinguished gentleman from New York and the distinguished gentleman from Massachusetts [Mr. CONTE] that I am quite familiar with this Brasilia housing situation. I was in Bra-



silia in December last, and I say that the withdrawal of almost half a million dollars from the President's contingency fund for a purpose such as that almost borders on the criminal. It was utterly ridiculous to have withdrawn those funds from the contingency fund. However, it should be remembered that these funds were not withdrawn within the period of the Kennedy administration. They were withdrawn in the previous administration.

Mr. TABER. What difference does it make?

Mr. ROONEY. That is a good question. I say to my distinguished friend from New York that whether it was done in the Kennedy administration or the Eisenhower administration, it was ridiculous.

I shall vote for the so-called Boland amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. BOLAND].

The question was taken; and on a division (demanded by Mr. BOLAND) there were—ayes 104, noes 109.

Mr. BOLAND. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BOLAND and Mr. PASSMAN.

The Committee again divided, and the tellers reported that there were—ayes 127, noes 152.

So the amendment was rejected.

The Clerk read as follows:

#### MILITARY ASSISTANCE

Military assistance: For expenses authorized by section 504(a), including administrative expenses authorized by section 636(g)(1), which shall not exceed \$24,000,000 for the current fiscal year, and purchase of passenger motor vehicles for replacement only for use outside the United States, \$1,300,000,000.

Mr. PASSMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PASSMAN: On page 3, line 7, strike out "\$1,300,000,000" and insert "\$1,475,000,000".

Mr. PASSMAN. Mr. Chairman, as I indicated this morning, while many of my colleagues were enjoying a respite from their labors in Washington I remained here over the weekend. I have discussed this matter with the leadership of the administration downtown and the leadership on the Democratic and Republican sides. I discussed it with the majority leader. I can assure you he told me there would be no opposition if I would reinstate \$150 million. After we reached that agreement, I said to the leadership on this side, I said, "Now I want to be generous because there is some opposition on the floor. Let me recommend \$25 million more than the figure on which you have reached an agreement." They said, "Well, we will not object." So I am actually recommending more than was agreed upon by the top echelon people downtown and the leadership on either side of the aisle.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to the gentleman.

Mr. HALLECK. The gentleman speaks of the leadership. I am the minority leader, but the gentleman did not discuss the matter with me until after his announcement had been made as to what he was going to do.

Mr. PASSMAN. With the gentleman's permission, may I say I did discuss it with the majority leader on this side of the aisle. I did not get to you on two occasions, so I discussed it with the gentleman from Illinois [Mr. ARENDT], and he is rather high in the echelon on your side. I also discussed it with the gentleman from New York [Mr. TABER], who is the ranking minority member of the Committee on Appropriations. I did not mean I had cleared it with the leaders. My majority leader was very glad to talk with me and he would have been happy with \$150 million.

As I said this morning, you just cannot please everybody. If you get it too low, then some want it higher, if you go too high, some want it lower.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield? Did you discuss it with the gentleman from Iowa [Mr. GROSS]?

Mr. PASSMAN. I did not get around to discussing this with the gentleman from Iowa [Mr. GROSS]. Now what is the situation? Mr. Eisenhower asked for \$1,800 million. President Kennedy reduced it to \$1,600 million. Later, he put it at \$1,885 million. I think the House passed \$1,800 million. Then it went over to the other body, and they passed \$1,550 million. Then it went to conference and they raised it to \$1,700 million. When it came to our committee we pinned the record down and we finally recommended \$1,300 million. But we noted some language in the authorizing bill that stated that if the President considers it vital for the security of the country, he may borrow \$300 million from Department of Defense stocks and at a subsequent date ask the Congress to make an appropriation to reimburse the Defense Department. In addition to the \$1,475 million—the \$1,300 million and the \$175 million—remember that we are reappropriating \$50 million which brings it to \$1,525 million. Likewise, you have \$100 million in the dereserved funds that automatically carry over. That is a total of \$1,625 million. Remember, we still have a conference to contend with. If there ever was an amendment that has no justification—or rather above this there is certainly no demonstrated justification, but I hope you support this amendment and I hope it will be unanimous. I hope for one time every Member of this body will be satisfied that the chairman of this subcommittee can likewise be flexible and yield in his thinking to higher authority. I hope you will support the amendment.

Mr. FORD. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Louisiana.

The Clerk read as follows:

Amendment offered by Mr. FORD as a substitute for the amendment offered by Mr. PASSMAN: On page 3, line 7, strike out "\$1,300,000,000" and insert "\$1,600,000,000".

Mr. FORD. Mr. Chairman, the amendment just offered by the gentleman from Louisiana [Mr. PASSMAN] would add \$175 million to the amount recommended by the House Committee on Appropriations, making a total of \$1,475 million. This amendment offered by the gentleman from Louisiana is \$225 million less than the 1962 authorization which this Congress approved 72 hours ago. Has anything in the last 72 hours improved to justify a \$225 million reduction? Of course not. There have been three nuclear tests conducted by the Soviet Union in this interval. Does that make anyone feel better to reduce the military assistance appropriations?

This figure recommended by the gentleman from Louisiana is \$325 million less than the Congress appropriated a year ago. Have conditions improved in the last 12 months to justify this kind of a reduction in military assistance? The answer obviously is "No."

Now the next question is, Is my amendment, which increases the committee's recommendation \$300 million, too much? The answer is "No." This \$1.6 billion, the amount which I have proposed, is the minimum recommended by either President Kennedy or former President Eisenhower.

In March of 1961, President Kennedy recommended for military assistance \$1.6 billion. This was \$200 million less than former President Eisenhower had submitted in his January budget message. Subsequently President Kennedy made a recommendation for \$1,885 million. In other words, we have had a Republican President and a Democratic President, two highly respectable authorities, say that we need more than this amount, and as a bare minimum \$1.6 billion.

I do not see how in the world we can honestly contend that we can help to solve the Berlin question with less military funds, which means less guns, less aircraft, less trainees, less heavy equipment across the board. I do not see how we can honestly say we can help solve the problem of Southeast Asia, Laos, Vietnam, with less money, which, of course, means less guns, less tanks, less ammunition, less military equipment across the board. How in good conscience can we say to our constituents, to the Nation, and to our allies that we are going to help resolve the critical problems today, next month, and for the next 12 months with less military assistance rather than more?

We follow the military budget recommendations of our own Army, Navy, and Air Force experts, our Secretaries of Defense, whether they are Tom Gates or Robert McNamara. We just appropriated \$6 billion for fiscal 1962 more than we appropriated for fiscal 1961 for our own Army, Navy, and Air Force. We followed their advice when they asked us for money for our own Army, our own Navy, and our own Air Force, and then



we do not follow the same advice they give us for military assistance for our allies, for our own mutual security.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I congratulate the gentleman and say that I am going to support his amendment. Our top military experts have consistently testified that dollars spent on our military assistance programs were just as important as those expended on our own military budget. It is time we stood up to our responsibilities under our military assistance program and I urge the House to adopt the gentleman's amendment.

Mr. FORD. I thank the chairman of the Committee on Foreign Affairs.

Mr. Chairman, I think this is one of the most important issues that we have had on the floor in many months. It is too little, in my judgment, but it is a minimum figure recommended by either President Eisenhower or President Kennedy.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Minnesota.

Mr. JUDD. Did we not have testimony that it will take about \$1 billion just to maintain the armed forces that we are presently assisting around the world? To appropriate only \$1.3 billion would hardly allow a beginning of the urgently needed modernization of many of those forces. Khrushchev boasts about his land forces, and they have put more into their land forces than we have. Such a drastic cut would make it impossible to improve the forces allied with us so that those who might have to fight alongside our boys in Germany or elsewhere would have decent equipment. Do we dare take such a chance with our own security as this committee bill involves? I urge that the gentleman's amendment be adopted.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(Mr. FORD (at the request of Mr. LAIRD) was given permission to proceed for 3 additional minutes.)

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. LAIRD. The gentleman from Michigan has made reference to the request made by former President Eisenhower for \$1,800 million in that particular item. It is my understanding there was no separate \$300 million contingency fund which there was in this authorization bill when it was signed into law this past week. In this bill in addition to the regular appropriation there is a new contingency fund set up for the military alone of \$300 million. Does the gentleman anticipate that if his amendment is adopted the \$300 million contingency fund will not be used?

Mr. FORD. It would be my hope and expectation. As the gentleman knows I personally opposed section 510 in the authorization bill. I thought it was unwise. I hope they will not use it. If we take the figure of the gentleman from

Louisiana it will be inevitable that they would have to use that fund, which is another back-door financing method as bad as that we struck out in the authorization bill.

Mr. LAIRD. The gentleman does anticipate that with his amendment it will not be necessary to use the contingency fund.

Mr. FORD. I hope not, and I would personally recommend against the use of it if my amendment is approved.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I think I can say it will not be used unless we get into some military emergency.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. FLOOD. Mr. Chairman, there is no man on the Republican side of this House who is as well versed, who knows the military posture of this Nation and the military problems of this Nation as does the gentleman from Michigan.

Mr. FORD. I challenge any or all Members on that side to deny my statement. This gentleman is not only one of the best versed men on your side, he is one of the best versed men in the Nation on this subject, and to deny supports to a Republican spokesman of such recognized leadership dealing with the subject, is difficult indeed to understand.

In conclusion may I simply say that in many of the programs discussed here today we have heard the criticism that there was no justification for the dollars. Some of them, it was alleged, are vague recommendations for economic assistance without specifics. Here is the justification book for the military program, and every one of the programs for each country is laid out as to the number of guns, tanks, munitions, aircraft, training, and so forth. This is hard, concrete information. I think on this basis if no one other we ought to support this amendment.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Virginia.

Mr. GARY. May I say to the gentleman that I was one of those who felt that the amount originally recommended for this item was insufficient. I do feel, however, that the amendment offered by our chairman is a very fair compromise on this item.

Mr. FORD. Much as I respect the gentleman from Virginia, I must say that in this instance I honestly and sincerely believe the larger figure, which is still \$200 million less than what we appropriated last year and which is still less than what either President Kennedy or former President Eisenhower recommended, is necessary.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want the membership of the House to have a picture of what the situation is. The expenditures for 1961 were \$1,600 million, or at least the obligations were, but a little

over \$100 million can be deobligated and put back into the obligations available. On top of that there is this \$300 million that might be used if there is any reason for it; but it does not look as if there were going to be.

A year ago I led the fight to raise the money—I have forgotten what the figure was—from one billion six to one billion eight. That amendment was agreed to.

Frankly, I have become completely disgusted with this program because of the development loan business which I believe is a menace to and a terrible drain on our economy. Ever since the program has been in effect I have voted for the authorization bill and most of that time for the appropriation bill. But this business completely upsets things, as far as I am concerned, and I shall have to vote "no" against the bill.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that the amendment I proposed met with approval all along the way, so far as the gentleman knows? I did not know there would be any opposition to it. Most Members were out of town. I can tell you this was discussed at the top echelon downtown and it met with no opposition. I discussed it with our distinguished majority leader. The record is abundantly clear, and what we recommend is in excess of the amount of money that the military spent last year. They spent only \$1,465 million. That is all they spent last year, even though they had the money available. At that time they had \$1.8 billion and they spent \$1.465 billion. My proposal is to bring it up to \$1,475 million, plus \$100 million from the dereserved fund, plus \$50 million unobligated funds reappropriated, which would bring it up to \$1,625 million.

Mr. TABER. It would.

Mr. PASSMAN. This is one item a vast majority of Members should be willing to support.

Mr. TABER. On top of that, the \$300 million transfer authority from military stocks is available?

Mr. PASSMAN. Yes.

Mr. CONTE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan.

Mr. Chairman, for the life of me I cannot understand why last year, the same hearings, the same committee, with world tensions not as grave as they are this year, under a Republican President, a Democratic House and a Democratic Senate, a Democratic chairman, giving a Republican President \$1,800 million and depriving the present Democratic President of the same amount of money.

World tensions have intensified all over the world. There have been the three nuclear tests, the Berlin situation, the situation in south Vietnam and Laos.

Mr. Chairman, I do not speak here today as SILVIO CONTE, the Republican, or as SILVIO CONTE, member of the Committee on Appropriations. I speak here as an American citizen, worried not only about the welfare of my wife and chil-



dren and the people I represent in the First Congressional District of Massachusetts but all the people of the United States and the free world.

Mr. Chairman, we had before our committee the top generals, the top admirals, stating that the situation is grave, that they needed this money for new weapons, ammunition, new guns, and new airplanes.

I wish I could disclose some of the evidence that was presented before our committee in respect to the situation in South Vietnam involving millions and millions of dollars for the stepped-up program that we have in that country in order to save it for the free world.

Mr. Chairman, I hope that the substitute amendment offered by the gentleman from Michigan [Mr. Ford] is adopted, and that the amendment offered by the gentleman from Louisiana [Mr. Passman] is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Ford], as a substitute to the amendment offered by the gentleman from Louisiana [Mr. Passman].

The question was taken; and on a division (demanded by Mr. Ford) there were—ayes 133, noes 112.

Mr. PASSMAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Ford and Mr. Passman.

The Committee again divided, and the tellers reported that there were—ayes 164, noes 125.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. Passman] as amended by the amendment offered by the gentleman from Michigan [Mr. Ford].

The amendment, as amended, was agreed to.

The Clerk read as follows:

SEC. 107. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

Mr. ROONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY: On page 5, after line 23, insert the following:

"Sec. 108. It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the grant-

ing of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine."

And renumber the section that follows:

Mr. ROONEY. Mr. Chairman, this amendment is identical with one that was included in the mutual security appropriations bill passed by the Congress last year as section 113 thereof. I offer it in a bipartisan manner in behalf of the distinguished gentleman from New York [Mr. Halpern] and myself. I do not feel there need be any debate on it. As you have heard, it is an antidiscrimination amendment protecting American citizens against distinctions because of their race or religion by foreign nations. I am confident that the distinguished chairman of the Subcommittee on Foreign Operations Appropriations will not oppose this pending amendment.

Mr. PASSMAN. Under the rules of the House, Mr. Chairman, I cannot accept the amendment on behalf of the committee, but I am certainly not going to oppose the amendment. In fact, as an individual I am going to vote for it.

Mr. ROONEY. I sincerely thank the gentleman.

Mr. HALPERN. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from New York, and thank him for his invaluable assistance in connection with the pending amendment which was omitted from the pending bill by inadvertence.

Mr. HALPERN. Mr. Chairman, this amendment is identical with the one I have at the desk and which I discussed with the gentleman from New York. I heartily urge its adoption.

Nothing short of this amendment to the Foreign Assistance Appropriations Act is satisfactory to carry out the sense of Congress as expressed heretofore in previous appropriations bills and it fulfills the principle espoused by the President linking social justice and morality to our foreign aid program.

To omit this provision as did the bill as reported, would have been interpreted as a retreat on the part of Congress—an appeasement—which could only lead to more flagrant violations of decency and dignity, not to mention international law, on the part of certain nations receiving our foreign aid.

There can be no question here as to the sense of Congress. The language in this amendment—the same as that which we enacted in the appropriations bill last year—is unqualified and unequivocal. It is a clear declaration of principle and a concomitant of American aid.

I trust it will be approved and then, of vital importance, that it will be implemented by the executive department.

(Mr. HALPERN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

#### LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$3,010,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for individuals, and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors; and, in addition, not to exceed the equivalent of \$200,000 of the aggregate amount of foreign currencies made available to the Export-Import Bank for loans pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred by the Export-Import Bank incident to such loans: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance shall be considered as nonadministrative expenses for the purposes hereof.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 8, line 23, after the comma, strike out the balance of line 23 and the first seven words in line 24.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Do I understand this \$9,000 is for entertainment?

Mr. PASSMAN. That is correct.

Mr. GROSS. This is an international financing activity, that is, the Export-Import Bank; is that correct?

Mr. PASSMAN. That is correct.

Mr. GROSS. And this \$9,000 for entertainment is necessary in order to dish out our money all over the world; is that correct?

Mr. PASSMAN. No, I will not agree that that is correct. The Export-Import Bank is a good organization and one that has paid substantial dividends and returned money to the Treasury of the United States. How do you expect these people to talk to applicants about a loan if we do not provide them with a little representation allowance to give them maybe a steak or a hamburger. This has been in the bill every year.

Mr. GROSS. You mean that that is necessary in order to get rid of our money; is that right?

Mr. PASSMAN. I would not say that is true. These are hard dollar loans.

Mr. GROSS. What other function does this financing activity have except to dispense our money all over the world?



Mr. PASSMAN. These are hard dollar loans.

Mr. GROSS. Up to this point perhaps they are hard dollars.

Mr. PASSMAN. No, I am speaking about this particular item in the bill.

Mr. GROSS. We have not really been confronted with the problem of trying to collect any of this money; have we?

Mr. PASSMAN. I think the record will show that the Export-Import Bank has paid back into the Treasury of the United States good hard dividends amounting to many millions of dollars.

Mr. GROSS. Let me ask the gentleman this question. As long as we keep dishing out money in so-called soft loans and outright grants, they are likely to pay something back on the so-called hard loans; are they not? But there may come a day when the taxpayers demand an end to putting out their money all over the world and then will come the testing time as to whether we are going to get anything back on what you call these hard money loans.

Mr. PASSMAN. I would suggest to the gentleman from Iowa that is the Export-Import Bank and these are hard loans.

Mr. GROSS. I know what it is.

Mr. PASSMAN. Money is coming back all the time. They have had a very successful operation for many years.

Mr. GROSS. Yes, but some day the taxpayers of this country may not be able to take care of all of this international WPA that supports all too many foreign governments.

Mr. PASSMAN. Remember, you are going to entrust to these people the handling of some \$1,500 million and you do not want to give them \$9,000 for representation allowance.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. May I ask the gentleman if the duties of these gentlemen are so burdensome and grievous that they need entertainment? Is that the idea?

Mr. PASSMAN. It is for entertainment allowance. I think this is necessary so that they can give a person a drink of scotch or bourbon or wine or a bottle of beer. But let us get to the point. It is for a representation allowance and, as the gentleman from New York [Mr. ROONEY] has said many times, these are the tools of the trade. They need this money and I trust that the Committee will vote the amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The Clerk read as follows:

#### TITLE V—PEACE CORPS

##### *Funds appropriated to the President*

##### *Peace Corps*

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act, including purchase of not to exceed sixteen passenger motor vehicles for use outside the United States, \$20,000,000: *Provided*, That this paragraph shall be effective only upon enactment into law of S. 2000 or H.R. 7500, Eighty-seventh Congress, or similar legislation to provide for a Peace Corps.

Mr. HIESTAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HIESTAND. Title V, which has just been read, has not yet been authorized and therefore is subject to a point of order.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. PASSMAN. We concede the point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Louisiana concedes the point of order and the Chair sustains the point of order made by the gentleman from California [Mr. HIESTAND].

The Clerk read as follows:

#### TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 10, after line 24, insert the following:

"Sec. 602. None of the funds herein appropriated shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the 35-day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communication audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance, relating to any review, inspection, or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, the document, paper, communication, audit, review, finding, recommendation, report or other material so requested."

Mr. HARDY. Mr. Chairman, the purpose of this amendment is simply to provide a means by which the Congress can secure the information it needs concerning foreign aid programs. We need such a provision in order that we can understand what has been done with the money, and this is the only way I know that we can find out.

Mr. Chairman, this amendment does not seek to obtain additional authority for the Congress, but is designed and intended to do no more than retain that which we already have.

Existing law prevents the activities of the Office of Inspector General and Comptroller to be cloaked in secrecy by providing that funds for the operation of that office shall be available only so long as it honors requests for information by GAO and designated congressional committees. This statutory requirement has not caused any operating problems in the executive branch, but it has given Congress access to necessary and valuable information which, in all probability, would not have been available otherwise. It is this condition which my amendment will preserve.

Because of the broad discretionary powers granted in the new foreign aid law, it is more important than ever that we maintain at least minimal authority to obtain the information we need to carry out our constitutional duties and to do what we can to see that foreign aid funds are expended with the utmost economy and efficiency.

I urge adoption of the amendment.

We must have this amendment to assure access to information. Without it, the Subcommittee on International Operations of the Committee on Government Operations would not have been able to make the factual reports which we periodically make to Congress, the last of which was our recent report on deficiencies in the administration of aid in Peru.

(Mr. HARDY asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, the RECORD indicates that the chairman of the Committee on Foreign Affairs accepted an amendment quite similar to this in the foreign aid authorization bill when it was considered in the House.

Mr. HARDY. Mr. Chairman, if the gentleman will yield, the chairman of the Committee on Foreign Affairs did accept an amendment similar to this in the authorization bill. However, it was changed by the Senate to the point where it is not longer effective. That is why this amendment is now necessary. We must have it for access to information.

Mr. PASSMAN. Then the chairman of the Committee on Foreign Affairs did accept the amendment?

Mr. HARDY. That is correct.

Mr. PASSMAN. Of course, I do not have the right under the rules of the House to accept an amendment for the committee, but personally with that statement on the part of the gentleman from Virginia I certainly do not oppose the amendment.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Of course, we accepted the gentleman's amendment, but in conference a provision was added putting it up to the personal certification of the President. I think the gentleman from Virginia can certainly trust the President of the United States to furnish all essential information required by his committee. The President has already given the gentleman evidence of his good faith on this question. There is no use having an Inspector General if you are going to automatically shut off his funds. The Inspector General is going to be the foreign aid policeman in this bill, and we certainly do not want him to become the whipping boy. He should not have his funds cut off because a higher authority might forbid the furnishing of information to the subcommittee headed by the distinguished gentleman from Virginia.

I think you can trust the President of the United States to do what is right under the personal certification provision.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.



Mr. HARDY. Just permit me to make this observation: We have been through this before. It is not a question of trusting the President of the United States. Actually we had a similar situation under the previous administration when the President of the United States personally denied us the information. The information was subsequently released to us by the present President of the United States. It was information which had been withheld last year and subsequently ordered furnished by President Kennedy which showed the improprieties in the administration of the aid program in Peru including a serious conflict of interest by the former mission director, Mr. Chairman, we need this language in order to get information.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. MORGAN. This goes back to the old question of Executive privilege and the historic doctrine of separation of powers. If the President wished to he could still refuse, despite the gentleman's amendment, under Executive privilege. This has been argued back and forth over a period of years. The President, of course, can exercise the right of Executive privilege and still deny the information to the gentleman.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the old, old question we have had before us for so many years. In fact, since Washington's administration. For more than 5 years a subcommittee of the Committee on Government Operations headed by the gentleman from California [Mr. Moss] has been trying to get across just exactly what the gentleman from Virginia is asking. Ever since 1952 the gentleman from Virginia [Mr. HARDY] has been working on this proposition and trying to prevent this waste and extravagance and worse connected with the expenditure of funds in the foreign aid program. He cannot get anywhere. It is just as he said, unless the Congress can get this information we have no way at all of stopping the abuse of which he complains.

I have always defended the President's constitutional right to refuse to disclose information as to his reason for the performance of duties imposed on him by the Constitution. As for example why he grants a pardon, but here is something that Congress itself is entitled to know.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. HARDY. I have no quarrel with the present administration. This administration has given us the information we needed, but we need to preserve that right, and that is what my amendment seeks to do.

Mr. HOFFMAN of Michigan. That is right. It is not a question of trusting the President, but it is the men under the President, and human nature being what it is, individuals will not give any information which shows they have been concealing or wasting or doing some-

thing they should not do. It is time we supported the gentleman from Virginia.

I find myself in a terrible situation. Think of it. Trying to help a Democrat from Virginia get what is coming to him.

As I understand, the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN] personally has no objection to this amendment; it is only the gentleman from Pennsylvania [Mr. MORGAN], who objects.

Mr. MORGAN. If the gentleman from Michigan will yield, I have objected to the amendment because if you will read the language in the authorization bill just passed we narrowed it down to a personal certification of the President.

Mr. HOFFMAN of Michigan. No one distrusts the President; that is not the issue at all; the issue is whether or not Congress is to learn how their money is spent.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. MEADER. I would just like the RECORD to show there is no such a thing as Executive privilege.

Mr. HOFFMAN of Michigan. With that I cannot agree. Where the Constitution confers a power or imposes a duty upon the President exclusively, he need not give his reasons for his action.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. REUSS. Mr. Chairman, it is ironic that the huge proposed cut in aid appropriations comes when it does.

It is ironic because this House, just last week, by a 2-to-1 majority authorized an appropriation of a scope which John F. Kennedy and Dwight D. Eisenhower believed essential. We all joined in praising the distinguished chairman of the House Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN], for his responsible leadership. In the exquisitely polite language of the floor debate, we talked of Treasury borrowing and back-door spending. So far as I know, no one urged adoption of Treasury borrowing by saying, "Look, unless we do this, the Appropriations Committee will slash the program to shreds, and it is very difficult to restore it on the floor, because you can not get Members present, or even a record vote if the attempt to restore the cut on the floor fails." But that is the position we are in now.

The proposed appropriations cut comes at an odd time in world history, too. Russia has again exploded the bomb. From Berlin to Laos to Cuba to the Congo—wherever you turn—our enemies are on the march.

But a third reason why the appropriations cut is ironic is that this year we have succeeded in reforming the defects that have bothered us so much about the foreign-aid program in the past. As a member of the Hardy Subcommittee of the House Committee on Government Operations, I have joined in condemning our foreign operations in a variety of

places—from Peru to Cambodia, from Iran to Laos. This year's aid legislation comes to grips with the defects in the program. It provides for congressional follow-through on administration. It endeavors to see that aid will get through to the people, and that it be accompanied by programs of land and social reform. We are demanding a much higher degree of self-help on the part of those we aid. And we are asking our allies, at last, to bear a fairer share of the burden.

Perhaps the most encouraging addition to this year's aid package is the Peace Corps. This House had a very real role to play in the creation of the Peace Corps. It was this House which first directed that a study be conducted of its possibilities, and appropriated money to do so. This very morning the House Committee on Foreign Affairs—without substantial dissent, I am informed—approved legislation to sanction the Peace Corps, and to permit it to proceed in its first year with 2,700 volunteers overseas.

Through the Peace Corps, we can help make our foreign policy human. We can draw on the idealism of the generation of young Americans that wants to pitch in when their country needs them.

And what has the Committee on Appropriations done with the hardheaded and well-documented \$40 million request for the Peace Corps? Cut it by 50 percent, to \$20 million. This, Mr. Chairman, is the most unkindest cut of all.

Even those who have opposed foreign aid have been heartened by the way young Americans have responded to the Peace Corps.

The 2,700 volunteers which the appropriations request would support abroad is a tiny number in relation to the vast and urgent needs of the underdeveloped world. It is a tiny number in relation to the tens of thousands of young Americans who have responded to their country's call to work in far-off places, at a soldier's pay.

The Peace Corps ought to be given the funds to do its job.

Mr. ASHMORE. Mr. Chairman, I have voted against our country's foreign aid program each year during my service in Congress. I shall vote "no" again today, because the \$106 billion we have appropriated and spent for foreign aid since World War II has been of little or no value to the United. It has gained us little if any prestige and probably no real, staunch allies in our never-ending struggle with communism.

The bill that we are considering, H.R. 9033, is the largest foreign aid appropriation within the past 7 years. My colleague, the gentleman from Louisiana, Hon. OTTO E. PASSMAN, chairman of the Subcommittee on Appropriations, tells me that the total amount provided for in this bill is \$10,981,799,000. We are called upon to appropriate this vast sum of money at a time when our national debt is in excess of \$290 billion. I, and millions of other Americans, believe that it is unwise and economically unsound to attempt to buy friends with borrowed money.



The Library of Congress advises that for more than 20 years the U.S. Government has appropriated an average of about \$40 in foreign aid expenditures for every man, woman, and child in this country. Out of each \$40, \$32 has been given either as a gift or for military and economic grants. Therefore, only \$8 of the \$40 spent each year for every person in this country is committed as a loan to be repaid. Almost every year Congress is called upon by the President and the Secretary of the Treasury to increase the debt ceiling in order to permit the Government to meet its operating cost, and now not only has our national debt increased but our foreign aid expenditures have also become larger and more burdensome to our taxpayers.

Mr. Chairman, I believe that it is time for Congress to pause and reflect upon a few basic facts of life if we are to remain economically sound in this country. I believe it is time for this Congress to reduce the national debt, at least in some degree, each year. We have become so addicted to deficit spending that apparently we forget the damage we are doing, not only to our economic structure, but to the future of our children, grandchildren, and even great-grandchildren. By making the American dollar the chief arm of diplomacy, we are undermining the economic stability of the United States. History has proven that we cannot solve the problems of the world through the expenditure of money, particularly the expenditure of money which we do not have but must borrow with the hope and expectation that future generations might repay.

By this method of absolute fiscal irresponsibility, we are slow, but surely, falling into the economic trap which Lenin and his successors in the communistic hierarchy have so long prophesied would be our ultimate end. Consistently, Communist leaders have said that the United States would spend itself into bankruptcy and then the only course of action left open for the American people would be socialism, and ultimately communism. The mad Communist dictators have warned us but we refuse to heed the danger signals. Hitler also revealed his plans to the world, but no one believed him until it was too late.

Foreign aid is a vast and complex matter which is not understood by the American people. We have spent large sums of money in foreign aid programs in more than 90 of the 110 nations of the world. This money has been spent on almost every conceivable type of project. We have literally taken billions of dollars of our resources to provide our foreign competitors with modern facilities to strengthen the competitive effort. This effort is further strengthened by low wage scales. For example, in Europe labor cost to these competitors is approximately one-sixth of ours, and labor cost is approximately one-tenth of ours in the Far East. Even with our American industrialists and workmen confronted with such a tremendous differential between American and foreign wages, some people are still advocates of more imports from foreign lands. This is all a part of the so-called American foreign aid program. As a direct

result we are destroying one American industry after another and in some instances literally creating ghost towns. At the same time we are subsidizing unemployment through unemployment insurance at the taxpayers' expense. May God help the poor, neglected, mistreated, hard-pressed American taxpayer.

Our taxpayers' money is being used to build a textile mill in Ethiopia, a cement plant in Korea, a steel mill in Turkey, a nylon plant in Korea at a cost of more than \$3 million, another textile mill in the United Arab Republic costing \$1 million, and countless other smaller industrial plants throughout the world. The so-called neutral nations receive millions of our dollars. Both India and Indonesia are accepting our money and then invariably vote with Russia and China in the United Nations. But American aid to Poland and Yugoslavia is simply unbelievable. Of course, Poland is directly under the control and authority of Khrushchev and every dollar sent to Poland is, to say the least, indirect aid to communism. And anyone who believes that Tito would permit Yugoslavia to fight on the side of the United States or any other freedom-loving nation is most unrealistic, if not completely blind to the facts of life. Tito is a Communist and has openly and boldly stated that his troops would march with the troops of Russia in a war against the free peoples of the Western bloc. I am, and always have been, unalterably opposed to any foreign aid and assistance to Poland or Yugoslavia.

These are glaring examples of how unrealistic our foreign aid program has been in the past, and I find no reason to believe that it will be any better in the future. Certainly, there is nothing in the present bill to make it worthy of my support. I would like to call to the attention of the House a grave situation existing in the United States due to our refusal to recognize the danger to some of our basic industries caused by the increasing amount of imports into our country. Many of us in Congress have pointed out to the Tariff Commission and the Chief Executive the fact that foreign aid dollars have gone to construct and rehabilitate textile plants abroad. These plants have in time shipped tremendous amounts of textile products to the United States and thus entered into direct competition with thousands of Americans who work in our textile plants. The result of any such arrangement is bound to be most detrimental to the American textile industry. Not only are we importing low-wage textiles, but the impact of foreign competition on the U.S. metalworking industries is also causing thousands of American workmen to become unemployed and the Government to lose millions of dollars in taxes. This rising tide of imports and loss of exports must be stopped if we are to maintain our high standard of living in this country. The foreign aid program of this Government is largely responsible for this situation. In certain areas of the world we have fostered, promoted and financed a lush growth of industries in direct competition with American industries. In many instances, we have provided the most

modern machinery and processes known to man for our foreign competitors. With this equipment, plus low cost labor, foreign goods of every description have flooded the American market.

Mr. Chairman, the United States must get down to the economic and political realities of life if our freedom is to survive. Somehow we must come to the realization that dollars will not buy friends nor insure our survival. We were told in the beginning when the Marshall plan was adopted that foreign aid was a temporary program to restore the war-ravaged economy of Europe. Year after year, however, we have been called upon to further extend foreign aid operations. What in the beginning was to be a temporary economic tool against communism has in reality become, I am afraid, a permanent fixture in our Government.

I fear that sometimes we do not give the American people credit for keeping up with what is going on in their Government. On the question of foreign aid I sincerely believe that they are ahead of many of their public officials. The American people are not satisfied with the way their tax dollars have been spent abroad. They have found it hard to understand why our prestige has slipped and why there has been an upsurge in Communist strength during a period in which their Government has taxed and borrowed billions of dollars for foreign aid programs.

Mr. Chairman, I cannot support H.R. 9033, because, in my opinion, it will further weaken the economic structure of the United States, accelerate our staggering national debt, and fail, as have our other foreign aid programs, in winning friends for the United States and in halting the spread of communism. A strong United States, financially, militarily, spiritually, and morally is the best hope of mankind in the struggle against communism.

Mr. PASSMAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. McCORMACK] having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, had directed him to report the same back to the House with sundry amendments adopted in the Committee of the Whole with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?



Mr. HAYS. Mr. Speaker, I demand a separate vote on the Ford amendment.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, is it not the Passman amendment?

Mr. HAYS. The Passman amendment, as amended by the Ford substitute.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 3, line 2, strike out "\$1,300,000,000" and insert "\$1,600,000,000".

Mr. HAYS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 242, nays 151, not voting 44 as follows:

[Roll No. 184]

YEAS—242

|               |                 |                |
|---------------|-----------------|----------------|
| Addabbo       | Feighan         | Lindsay        |
| Addonizio     | Fenton          | Loser          |
| Albert        | Finnegan        | McCormack      |
| Anfuso        | Fino            | McDowell       |
| Arends        | Flood           | McFall         |
| Ashley        | Fogarty         | Macdonald      |
| Aspinall      | Ford            | MacGregor      |
| Auchincloss   | Frazier         | Machrowicz     |
| Avery         | Frelinghuysen   | Mahon          |
| Ayres         | Friedel         | Marshall       |
| Bailey        | Gallagher       | Martin, Mass.  |
| Baldwin       | Garland         | Mathias        |
| Barry         | Garmatz         | May            |
| Bass, Tenn.   | Giaimo          | Morrow         |
| Bates         | Gilbert         | Miller, Clem   |
| Beckworth     | Glenn           | Miller,        |
| Bell          | Goodell         | George P.      |
| Bennett, Fla. | Granahan        | Miller, N.Y.   |
| Blatnik       | Gray            | Mills          |
| Boggs         | Green, Oreg.    | Moeller        |
| Boland        | Green, Pa.      | Monagan        |
| Bolling       | Griffin         | Montoya        |
| Bolton        | Griffiths       | Moorehead,     |
| Bonner        | Gubser          | Ohio           |
| Brademas      | Hagen, Calif.   | Moorhead, Pa.  |
| Breeding      | Halleck         | Morgan         |
| Brewster      | Halpern         | Morris         |
| Brooks, Tex.  | Hansen          | Morrison       |
| Broomfield    | Harding         | Morse          |
| Burke, Ky.    | Hardy           | Moss           |
| Burke, Mass.  | Harris          | Multer         |
| Byrne, Pa.    | Harvey, Mich.   | Murphy         |
| Cahill        | Hays            | Nelsen         |
| Carey         | Healey          | Nix            |
| Celler        | Hechler         | O'Brien, Ill.  |
| Chamberlain   | Hemphill        | O'Brien, N.Y.  |
| Chenoweth     | Herlong         | O'Hara, Ill.   |
| Chiperfield   | Holifield       | O'Hara, Mich.  |
| Clark         | Holtzman        | Olsen          |
| Coad          | Hosmer          | O'Neill        |
| Cohelan       | Ichord, Mo.     | Osmer          |
| Conte         | Ikard, Tex.     | Ostertag       |
| Cook          | Inouye          | Patman         |
| Corman        | Jarman          | Pelly          |
| Curtin        | Joelson         | Perkins        |
| Daddario      | Johnson, Calif. | Peterson       |
| Daniels       | Johnson, Wis.   | Philbin        |
| Davis, Tenn.  | Jones, Ala.     | Pike           |
| Delaney       | Judd            | Pirnie         |
| Denton        | Karsten         | Powell         |
| Diggs         | Karth           | Price          |
| Dingell       | Keith           | Pucinski       |
| Dominick      | Kelly           | Quile          |
| Donohue       | Keogh           | Randall        |
| Dooley        | Kilday          | Reuss          |
| Doyle         | King, Calif.    | Rhodes, Pa.    |
| Dulski        | King, N.Y.      | Riehlman       |
| Durno         | King, Utah      | Rivers, Alaska |
| Dwyer         | Kirwan          | Robison        |
| Elliott       | Kluczynski      | Rodino         |
| Ellsworth     | Kunkel          | Rogers, Colo.  |
| Everett       | Lane            | Rooney         |
| Fallon        | Lankford        | Roosevelt      |
| Farbstein     | Lesinski        | Rostenkowski   |
| Fascell       | Libonati        | Ryan           |

St. Germain  
Saund  
Saylor  
Schneebell  
Schweiker  
Schwengel  
Scott  
Scranton  
Seely-Brown  
Selden  
Shelley  
Sheppard  
Shriver  
Sibal  
Sikes  
Sisk  
Slack

Abbt  
Abernethy  
Adair  
Alexander  
Alford  
Andersen,  
Minn.  
Anderson, Ill.  
Andrews  
Ashbrook  
Ashmore  
Baring  
Bass, N.H.  
Battin  
Becker  
Beermann  
Belcher  
Bennett, Mich.  
Berry  
Betts  
Blitch  
Bow  
Bray  
Bromwell  
Brown  
Bruce  
Burlison  
Byrnes, Wis.  
Cannon  
Casey  
Cederberg  
Chelf  
Church  
Clancy  
Collier  
Colmer  
Cooley  
Corbett  
Cramer  
Cunningham  
Curtis, Mo.  
Davis,  
James C.  
Davis, John W.  
Derounian  
Derwinski  
Devine  
Dole  
Dorn  
Dowdy  
Downing

Alger  
Baker  
Barrett  
Boykin  
Brooks, La.  
Broyhill  
Buckley  
Curtis, Mass.  
Dague  
Dawson  
Dent  
Edmondson  
Evins  
Hall  
Harrison, Va.

Smith, Iowa  
Smith, Miss.  
Spence  
Springer  
Stafford  
Staggers  
Stratton  
Stubblefield  
Sullivan  
Teague, Calif.  
Thomas  
Thompson, N.J.  
Thompson, Tex.  
Thornberry  
Toll  
Trimble  
Tupper

NAYS—151

Findley  
Fisher  
Flynt  
Forrester  
Fountain  
Fulton  
Gary  
Gathings  
Gavin  
Goodling  
Grant  
Gross  
Hagan, Ga.  
Haley  
Harrison, Wyo.  
Harsha  
Harvey, Ind.  
Henderson  
Hiestand  
Hoeven  
Hoffman, Ill.  
Hoffman, Mich.  
Horan  
Huddleston  
Hull  
Jennings  
Jensen  
Johansen  
Jonas  
Jones, Mo.  
Kastenmeier  
Kearns  
Kilgore  
Kitchin  
Knox  
Kornegay  
Kowalski  
Kyl  
Laird  
Langen  
Latta  
Lennon  
Lipscomb  
McCulloch  
McDonough  
McMillan  
McVey  
Mack  
Martin, Nebr.  
Matthews  
Meador

NOT VOTING—44

Hébert  
Holland  
Johnson, Md.  
Kee  
Kilburn  
Landrum  
McIntire  
McSweeney  
Madden  
Magnuson  
Maillard  
Mason  
Milliken  
Minshall  
Mosher

Udall, Morris K.  
Ullman  
Vanik  
Van Zandt  
Vinson  
Wallhauser  
Walter  
Watts  
Weis  
Whalley  
Wickersham  
Wilson, Calif.  
Yates  
Zablocki  
Zelenko

Mr. Broyhill for, with Mr. McIntire against.  
Mr. Buckley for, with Mr. Alger against.  
Mrs. Kee for, with Mr. Siler against.  
Mr. Widnall for, with Mr. O'Konski against.  
Mr. Barrett for, with Mr. Van Pelt against.  
Mr. Rabaut for, with Mrs. Reece against.  
Mr. Rains for, with Mr. Baker against.

Until further notice:

Mr. Dawson with Mr. Mailliard.  
Mr. Magnuson with Mr. Wharton.  
Mr. Wright with Mr. Curtis of Massachusetts.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. CLANCY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 270, nays 123, not voting 44, as follows:

[Roll No. 185]

YEAS—270

|               |               |                 |
|---------------|---------------|-----------------|
| Addabbo       | Conte         | Gary            |
| Addonizio     | Cook          | Gathings        |
| Albert        | Cooley        | Giaimo          |
| Anfuso        | Corbett       | Gilbert         |
| Arends        | Corman        | Glenn           |
| Ashley        | Cramer        | Goodell         |
| Aspinall      | Curtin        | Granahan        |
| Auchincloss   | Curtis, Mass. | Gray            |
| Avery         | Daddario      | Green, Oreg.    |
| Ayres         | Daniels       | Green, Pa.      |
| Bailey        | Davis, Tenn.  | Griffin         |
| Baldwin       | Delaney       | Griffiths       |
| Barry         | Denton        | Gubser          |
| Bass, N.H.    | Derounian     | Hagen, Calif.   |
| Bass, Tenn.   | Diggs         | Halleck         |
| Bates         | Dingell       | Halpern         |
| Beckworth     | Dominick      | Hansen          |
| Bell          | Donohue       | Harding         |
| Bennett, Fla. | Dooley        | Hardy           |
| Blatnik       | Downing       | Harvey, Mich.   |
| Boggs         | Doyle         | Hays            |
| Boland        | Dulski        | Healey          |
| Bolling       | Durno         | Hechler         |
| Bolton        | Dwyer         | Henderson       |
| Brademas      | Elliott       | Herlong         |
| Breeding      | Ellsworth     | Holifield       |
| Brewster      | Everett       | Holtzman        |
| Bromwell      | Fallon        | Horan           |
| Brooks, Tex.  | Farbstein     | Hosmer          |
| Broomfield    | Fascell       | Huddleston      |
| Burke, Ky.    | Feighan       | Ikard, Tex.     |
| Burke, Mass.  | Fenton        | Inouye          |
| Byrne, Pa.    | Finnegan      | Jarman          |
| Byrnes, Wis.  | Fino          | Joelson         |
| Cahill        | Flood         | Johnson, Calif. |
| Cannon        | Fogarty       | Johnson, Wis.   |
| Carey         | Ford          | Jones, Ala.     |
| Celler        | Fountain      | Jones, Mo.      |
| Chamberlain   | Frazier       | Judd            |
| Chelf         | Frelinghuysen | Karsten         |
| Chenoweth     | Friedel       | Karth           |
| Chiperfield   | Fulton        | Kastenmeier     |
| Clark         | Gallagher     | Keith           |
| Coad          | Garland       | Kelly           |
| Cohelan       | Garmatz       | Keogh           |

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Pilcher against.

Mr. Santangelo for, with Mr. Brooks of Louisiana against.

Mr. Madden for, with Mr. Harrison of Virginia against.

Mr. Johnson of Maryland for, with Mr. McSweeney against.

Mr. Holland for, with Mr. Mason against.

Mr. Dent for, with Mr. Westland against.

Mr. Kilburn for, with Mr. Hall against.

Mr. Mosher for, with Mr. Minshall against.



Kilday  
King, Calif.  
King, N.Y.  
King, Utah  
Kirwan  
Kluczynski  
Kornegay  
Kowalski  
Kunkel  
Laird  
Lane  
Langen  
Lankford  
Lesinski  
Libonati  
Lindsay  
Loser  
McCormack  
McDowell  
McFall  
Macdonald  
MacGregor  
Machrowicz  
Mahon  
Marshall  
Martin, Mass.  
Mathias  
Matthews  
May  
Meader  
Merrow  
Miller, Clem  
Miller,  
George P.  
Miller, N.Y.  
Moeller  
Monagan  
Montoya  
Moorhead, Pa.  
Morgan  
Morrison  
Morse  
Moss  
Multer  
Murphy  
Natcher

Nelsen  
Nix  
Norblad  
Nygaard  
O'Brien, Ill.  
O'Brien, N.Y.  
O'Hara, Ill.  
O'Hara, Mich.  
Olsen  
O'Neill  
Osmers  
Ostertag  
Passman  
Patman  
Pell  
Perkins  
Peterson  
Philbin  
Pike  
Pillon  
Pirnie  
Powell  
Price  
Pucinski  
Qule  
Randall  
Reifel  
Reuss  
Rhodes, Ariz.  
Rhodes, Pa.  
Riehlman  
Rivers, Alaska  
Robison  
Rodino  
Rogers, Colo.  
Rooney  
Roosevelt  
Rostenkowski  
Ryan  
St. Germain  
Saund  
Schenck  
Schneebeli  
Schweiker  
Schwengel  
Scott

Scranton  
Seely-Brown  
Selden  
Shelley  
Sheppard  
Shriver  
Sibal  
Sisk  
Slack  
Smith, Iowa  
Smith, Miss.  
Spence  
Springer  
Stafford  
Staggers  
Steed  
Stratton  
Stubblefield  
Sullivan  
Taylor  
Teague, Calif.  
Thomas  
Thompson, Tex.  
Thornberry  
Toll  
Tollefson  
Trimble  
Tupper  
Udall, Morris K.  
Ullman  
Vanik  
Van Zandt  
Vinson  
Wallhauser  
Walter  
Watts  
Weis  
Whalley  
Wickersham  
Wilson, Calif.  
Yates  
Younger  
Zablocki  
Zelenko

## NAYS—123

Abbitt  
Abernethy  
Adair  
Alexander  
Alford  
Andersen,  
Minn.  
Anderson, Ill.  
Andrews  
Ashbrook  
Ashmore  
Baring  
Battin  
Becker  
Beerhmann  
Belcher  
Bennett, Mich.  
Berry  
Betts  
Blitch  
Bonner  
Bow  
Bray  
Brown  
Bruce  
Burleson  
Casey  
Cederberg  
Church  
Clancy  
Collier  
Colmer  
Cunningham  
Curtis, Mo.  
Davis,  
James C.  
Davis, John W.  
Derwinski  
Devine  
Dole  
Dorn  
Dowdy

Findley  
Fisher  
Flynt  
Forrester  
Gavin  
Goodling  
Grant  
Gross  
Hagan, Ga.  
Haley  
Harris  
Harrison, Wyo.  
Harsha  
Harvey, Ind.  
Hemphill  
Hiestand  
Hoeven  
Hoffman, Ill.  
Hoffman, Mich.  
Hull  
Ichord, Mo.  
Jennings  
Jensen  
Johansen  
Jonas  
Kearns  
Kilgore  
Kitchin  
Knox  
Kyl  
Latta  
Lennon  
Lipscomb  
McCulloch  
McDonough  
McMillan  
McVey  
Mack  
Martin, Nebr.  
Michel  
Mills  
Moore

Moorehead,  
Ohio  
Morris  
Moulder  
Murray  
Norrell  
Pfost  
Poage  
Poff  
Ray  
Riley  
Rivers, S.C.  
Rogers, Fla.  
Rogers, Tex.  
Roudebush  
Roush  
Rousselot  
Rutherford  
St. George  
Saylor  
Schadeberg  
Scherer  
Shipley  
Short  
Sikes  
Smith, Calif.  
Smith, Va.  
Stephens  
Taber  
Teague, Tex.  
Thompson, La.  
Thomson, Wis.  
Tuck  
Utt  
Weaver  
Whitener  
Whitten  
Williams  
Willis  
Wilson, Ind.  
Winstead  
Young

## NOT VOTING—44

Alger  
Baker  
Barrett  
Boykin  
Brooks, La.  
Broyhill  
Buckley  
Dague  
Dawson  
Dent  
Edmondson  
Evins  
Hall  
Harrison, Va.  
Hébert

Holland  
Johnson, Md.  
Kee  
Kilburn  
Landrum  
McIntire  
McSween  
Madden  
Magnuson  
Mailliard  
Mason  
Milliken  
Minshall  
Mosher  
O'Konski

Pilcher  
Rabaut  
Rains  
Reece  
Roberts  
Santangelo  
Siler  
Thompson, N.J.  
Van Pelt  
Westland  
Wharton  
Widnall  
Wright

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Pilcher against.  
Mr. Santangelo for, with Mr. Brooks of Louisiana against.

Mr. Madden for, with Mr. Harrison of Virginia against.

Mr. Johnson of Maryland for, with Mr. McSween against.

Mr. Holland for, with Mr. Mason against.  
Mr. Kilburn for, with Mr. Hall, against.

Mr. Mosher for, with Mr. Minshall against.  
Mr. Broyhill for, with Mr. McIntire against.

Mr. Buckley for, with Mr. Alger against.  
Mrs. Kee for, with Mr. Siler against.

Mr. Widnall for, with Mr. O'Konski against.  
Mr. Wright for, with Mr. Van Pelt against.

Mr. Dent for, with Mrs. Reece against.  
Mr. Westland for, with Mr. Baker against.

Until further notice:

Mr. Rains with Mr. Mailliard.  
Mr. Roberts with Mr. Wharton.

The vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

## RESIGNATION OF CONFEE ON THE BILL S. 1653

The SPEAKER pro tempore laid before the House the following letter of resignation of a conferee:

SEPTEMBER 9, 1961.

The Honorable JOHN McCORMACK,  
*Speaker pro tempore,*  
*House of Representatives.*

DEAR MR. SPEAKER: I desire to be relieved of my assignment as a conferee on the part of the House on the differences between the House and the Senate on S. 1653.

WILLIAM E. MILLER.

The SPEAKER pro tempore. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER pro tempore. The Chair appoints the gentleman from Michigan, Mr. MEADER, as a manager on the part of the House at the conference on S. 1653, vice the gentleman from New York, Mr. MILLER, who has been excused; and the Clerk will notify the Senate thereof.

## LEGISLATIVE PROGRAM FOR SEPTEMBER 6

(Mr. BARRY asked and was given permission to address the House for 1 minute.)

Mr. BARRY. Mr. Speaker, I take this time to inquire of the majority whip concerning the legislative program for tomorrow.

Mr. ALBERT. The legislative program is as was previously announced; the Consent Calendar and 24 suspensions, not necessarily to be called in the

order in which they appeared in the RECORD.

Mr. BARRY. I thank the gentleman.

## HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma.

There was no objection.

## ATOMIC ENERGY AUTHORIZATION BILL

Mr. HOSMER. Mr. Speaker, may I inquire of the majority whip the schedule with respect to the report of the conferees on the atomic energy authorization bill?

Mr. ALBERT. Mr. Speaker, it is now pretty certain that the conference report will not be called up tomorrow; but I will advise the gentleman that we are going to program that just as early as we possibly can.

Mr. HOSMER. Mr. Speaker, I thank the gentleman.

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. ULLMAN'S remarks will appear hereafter in the Appendix.]

## BISHOP McNAUGHTON RECEIVES MITER AND CROSIER OF HIS HIGH OFFICE AT THE YOUNG AGE OF 34

(Mr. LANE asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. LANE. Mr. Speaker, at impressive ceremonies held in St. Mary's Church of his native city, Lawrence, Mass., the Most Reverend William J. McNaughton, M.M., D.D., was consecrated Maryknoll bishop of the vicariate of Inchon, Korea.

He was born in Lawrence on December 7, 1926, and was educated at St. Augustine's parochial school and Central Catholic High School.

He entered Maryknoll Minor Seminary in 1944 to begin his studies for the foreign missionary priesthood. On June 13, 1953, he was ordained at Maryknoll, N.Y. In the following year he studied the Korean language at Yale University. From 1954 to 1961, he served in Maryknoll missions of South Korea, becoming, in 1959, the vicar delegate of Chongju, Korea; and in 1961, the titular bishop of Tuburbo Minor.

On August 24, 1961, in St. Mary's Church, 17 members of the Catholic hierarchy, over 230 prelates and clergy, and 140 religious joined with the family, relatives, and hundreds of friends in the memorable services of consecration conducted by His Eminence, Richard Cardinal Cushing.

The apostolic mandate of Pope John XXII, authorizing the elevation of the









87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 9033

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 6, 1961

Read twice and referred to the Committee on Appropriations

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## AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1962, namely:

6               TITLE I—FOREIGN ASSISTANCE

7               FUNDS APPROPRIATED TO THE PRESIDENT

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Foreign Assistance Act of 1961,

1 to remain available until June 30, 1962, unless otherwise  
2 specified herein, as follows:

3 ECONOMIC ASSISTANCE

4 Development loans: For expenses authorized by section  
5 202 (a) , \$1,025,000,000, to remain available until expended.

6 Development grants: For expenses authorized by section  
7 212, including \$2,673,000 for ocean freight, \$1,139,000 for  
8 Atoms for Peace, and \$24,925,000 for the malaria eradica-  
9 tion program, \$259,000,000.

10 International organizations and programs: For expenses  
11 authorized by section 302, \$153,500,000.

12 Supporting assistance: For expenses authorized by sec-  
13 tion 402, \$400,000,000.

14 Contingency fund: For expenses authorized by section  
15 451 (a) , \$175,000,000.

16 Administrative expenses: For expenses authorized by  
17 section 637 (a) , including the purchase of not to exceed  
18 twenty-five passenger motor vehicles for use outside the  
19 United States, \$45,000,000.

20 MILITARY ASSISTANCE

21 Military assistance: For expenses authorized by section  
22 504 (a) , including administrative expenses authorized by  
23 section 636 (g) (1) , which shall not exceed \$24,000,000 for  
24 the current fiscal year, and purchase of passenger motor



1 vehicles for replacement only for use outside the United  
2 States, \$1,600,000,000.

3 Unobligated balances (not to exceed \$50,000,000) as  
4 of June 30, 1961, of funds heretofore made available for  
5 Military Assistance under the authority of the Mutual Secu-  
6 rity Act of 1954, as amended, are, except as otherwise pro-  
7 vided by law, hereby continued available for the fiscal year  
8 1962 for the same general purposes for which appropriated.

9 GENERAL PROVISIONS

10 SEC. 101. Amounts certified pursuant to section 1311  
11 of the Supplemental Appropriation Act, 1955, as having  
12 been obligated against appropriations heretofore made under  
13 the authority of the Mutual Security Act of 1954, as amended,  
14 for the same general purpose as any of the subparagraphs  
15 under "Economic Assistance" except the subparagraph of  
16 this title for "Administrative expenses", are hereby con-  
17 tinued available for the same period as the respective appro-  
18 priations in such subparagraphs for the same general  
19 purpose.

20 SEC. 102. None of the funds herein appropriated shall  
21 be used to finance the construction of any new flood con-  
22 trol, reclamation, or other water or related land resource  
23 project or program which has not met the standards  
24 and criteria used in determining the feasibility of flood con-

1 trol, reclamation and other water and related land resource  
2 programs and projects proposed for construction within the  
3 United States of America as per circular A-47 of the  
4 Bureau of the Budget, dated December 31, 1952.

5 SEC. 103. Obligations made from funds herein appro-  
6 priated for engineering and architectural fees and services  
7 to any individual or group of engineering and architectural  
8 firms on any one project in excess of \$25,000 shall be re-  
9 ported to the Committees on Appropriations of the Senate  
10 and House of Representatives at least twice annually.

11 SEC. 104. Except for the appropriations entitled "Con-  
12 tingency fund" and "Development loans", not more than  
13 20 per centum of any appropriation item made available  
14 by this title shall be obligated and/or reserved during the  
15 last month of availability.

16 SEC. 105. None of the funds herein appropriated nor  
17 any of the counterpart funds generated as a result of assist-  
18 ance hereunder or any prior Act shall be used to pay  
19 pensions, annuities, retirement pay or adjusted service com-  
20 pensation for any persons heretofore or hereafter serving  
21 in the armed forces of any recipient country.

22 SEC. 106. None of the funds herein appropriated shall  
23 be used to finance any of the activities under the Investment  
24 Incentive Fund Program.



1        SEC. 107. The Congress hereby reiterates its opposition  
2 to the seating in the United Nations of the Communist China  
3 regime as the representative of China, and it is hereby  
4 declared to be the continuing sense of the Congress that the  
5 Communist regime in China has not demonstrated its willing-  
6 ness to fulfill the obligations contained in the Charter of  
7 the United Nations and should not be recognized to repre-  
8 sent China in the United Nations. In the event of the seat-  
9 ing of representatives of the Chinese Communist regime in  
10 the Security Council or General Assembly of the United  
11 Nations, the President is requested to inform the Congress  
12 insofar as is compatible with the requirements of national  
13 security, of the implications of this action upon the foreign  
14 policy of the United States and our foreign relationships,  
15 including that created by membership in the United Nations,  
16 together with any recommendations which he may have with  
17 respect to the matter.

18        SEC. 108. It is the sense of Congress that any attempt  
19 by foreign nations to create distinctions because of their  
20 race or religion among American citizens in the granting of  
21 personal or commercial access or any other rights otherwise  
22 available to United States citizens generally is repugnant  
23 to our principles; and in all negotiations between the United

1 States and any foreign state arising as a result of funds  
2 appropriated under this title these principles shall be applied  
3 as the President may determine.

4 SEC. 109. None of the funds provided in this title shall  
5 be available for assistance to any country, the government  
6 of which sells arms, ammunition, or implements of war to the  
7 Castro regime, or which furnishes, by grant or loan, any  
8 military or economic aid to that regime, unless the President  
9 determines that the withholding of such assistance to such  
10 country would be contrary to the national interest.

11 TITLE II—DEPARTMENT OF THE ARMY—CIVIL  
12 FUNCTIONS

13 RYUKYU ISLANDS, ARMY

14 ADMINISTRATION

15 For expenses, not otherwise provided for, necessary to  
16 meet the responsibilities and obligations of the United States  
17 in connection with the government of the Ryukyu Islands,  
18 as authorized by the Act of July 12, 1960 (74 Stat. 461) ;  
19 services as authorized by section 15 of the Act of August 2,  
20 1946 (5 U.S.C. 55a), of individuals not to exceed ten in  
21 number; not to exceed \$3,000 for contingencies for the  
22 High Commissioner, to be expended in his discretion; hire  
23 of passenger motor vehicles and aircraft; purchase of four  
24 passenger motor vehicles for replacement only; and con-  
25 struction, repair, and maintenance of buildings, utilities, facili-



ties, and appurtenances; \$6,089,000, of which not to exceed \$1,722,000 shall be available for administrative and information expenses: *Provided*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended, section 4774 (d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall deter-

1 mine to relate primarily to any function or functions so  
2 transferred.

3 TITLE III—EXPORT-IMPORT BANK OF  
4 WASHINGTON

5 The Export-Import Bank of Washington is hereby  
6 authorized to make such expenditures within the limits of  
7 funds and borrowing authority available to such corporation,  
8 and in accord with law, and to make such contracts and com-  
9 mitments without regard to fiscal year limitations as pro-  
10 vided by section 104 of the Government Corporation Control  
11 Act, as amended, as may be necessary in carrying out the  
12 programs set forth in the budget for the current fiscal year  
13 for such corporation, except as hereinafter provided:

14 LIMITATION ON OPERATING EXPENSES

15 Not to exceed \$1,170,000,000 (of which not to exceed  
16 \$600,000,000 shall be for development loans) shall be  
17 obligated during the current fiscal year for other than  
18 administrative expenses.

19 LIMITATION ON ADMINISTRATIVE EXPENSES

20 Not to exceed \$3,010,000 (to be computed on an  
21 accrual basis) shall be available during the current fiscal  
22 year for administrative expenses, including services as au-  
23 thorized by section 15 of the Act of August 2, 1946 (5  
24 U.S.C. 55a) at rates not to exceed \$75 per diem for individ-  
25 uals, and not to exceed \$9,000 for entertainment allowances



1 for members of the Board of Directors; and, in addition, not  
2 to exceed the equivalent of \$200,000 of the aggregate amount  
3 of foreign currencies made available to the Export-Import  
4 Bank for loans pursuant to the Agricultural Trade Devel-  
5 opment and Assistance Act of 1954, as amended, shall be  
6 available during the current fiscal year for expenses incurred  
7 by the Export-Import Bank incident to such loans: *Pro-*  
8 *vided*, That (1) fees or dues to international organizations  
9 of credit institutions engaged in financing foreign trade, (2)  
10 necessary expenses (including special services performed on  
11 a contract or fee basis, but not including other personal  
12 services) in connection with the acquisition, operation, main-  
13 tenance, improvement, or disposition of any real or personal  
14 property belonging to the Bank or in which it has an inter-  
15 est, including expenses of collections of pledged collateral,  
16 or the investigation or appraisal of any property in respect  
17 to which an application for a loan has been made, and (3)  
18 expenses (other than internal expenses of the Bank) incurred  
19 in connection with the issuance and servicing of guarantees,  
20 insurance, and reinsurance shall be considered as nonad-  
21 ministrative expenses for the purposes hereof.

#### 22 TITLE IV—TREASURY DEPARTMENT

##### 23 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

24 For payment of subscriptions to the Inter-American De-  
25 velopment Bank, to remain available until expended, \$110,-

1 000,000 of which \$60,000,000 is for the second installment  
2 on paid-in capital stock and \$50,000,000 is for payment of  
3 the second installment of the subscription of the United States  
4 to the fund for special operations.

5 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT  
6 ASSOCIATION

7 For payment of the second installment of the subscrip-  
8 tion of the United States to the International Development  
9 Association, \$61,656,000, to remain available until  
10 expended.

11 TITLE VI—GENERAL PROVISIONS

12 SEC. 601. No part of any appropriation contained in this  
13 Act shall be used for publicity or propaganda purposes  
14 within the United States not heretofore authorized by the  
15 Congress.

16 SEC. 602. None of the funds herein appropriated shall  
17 be used for expenses of the Inspector General, Foreign As-  
18 sistance, after the expiration of the thirty-five day period  
19 which begins on the date the General Accounting Office or  
20 any committee of the Congress, or any duly authorized sub-  
21 committee thereof, charged with considering foreign assist-  
22 ance legislation, appropriations, or expenditures, has deliv-  
23 ered to the office of the Inspector General, Foreign Assist-  
24 ance, a written request that it be furnished any document,



1 paper, communication, audit, review, finding, recommenda-  
2 tion, report, or other material in the custody or control of the  
3 Inspector General, Foreign Assistance, relating to any re-  
4 view, inspection, or audit arranged for, directed, or con-  
5 ducted by him, unless and until there has been furnished to  
6 the General Accounting Office or to such committee or sub-  
7 committee, as the case may be, the document, paper, com-  
8 munication, audit, review, finding, recommendation, report,  
9 or other material so requested.

10 SEC. 603. This Act may be cited as the "Foreign  
11 Assistance and Related Agencies Appropriation Act, 1962".

Passed the House of Representatives September 5, 1961.

Attest:

RALPH R. ROBERTS,

*Clerk.*

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## AN ACT

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Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

---

SEPTEMBER 6, 1961

Read twice and referred to the Committee on Appropriations









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
(For information only;  
should not be quoted  
or cited).

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For actions of Sept. 13, 1961  
87th-1st No. 160

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**HIGHLIGHTS:** House Rules Committee reported measure to send Mexican farm labor bill to conference. Senate committee reported foreign aid appropriation bill. Both Houses agreed to conference report on State-Justice appropriation bill. House agreed to conference report on saline water conversion bill. House passed public works appropriation bill. House debated Peace Corps bill.

## HOUSE

- 1. SALINE WATER.** Agreed to the conference report on H. R. 7916, to expand and extend the saline water conversion program being conducted by the Secretary of the Interior. This bill will now be sent to the President. pp. 18050-1
- 2. FARM LABOR.** The Rules Committee reported a resolution to send H. R. 2010, to extend the Mexican farm labor program, to conference. pp. 18036, 18085
- 3. APPROPRIATIONS.** Acted on amendment in disagreement on H. R. 8302, the military construction appropriation bill. p. 18032  
By a vote of 377 to 31, passed with amendments H. R. 9076, the public works appropriation bill. Earlier rejected, 182 to 224, a motion to recommit. pp. 18034-5
- 4. ATOMIC ENERGY.** By a vote of 155 to 251, rejected the conference report on H. R. 7576, to authorize appropriations for AEC. Agreed to a motion that the House insist on its disagreement to the Senate amendment. pp. 18036-44
- 5. SMALL BUSINESS.** Received the conference report on H. R. 8762, to amend the Small Business Act to increase the amount available for regular business loans



thereunder (H. Rept. 1180). pp. 18055-7

6. FOREIGN TRADE. Passed as reported S. 2325, to permit the Export-Import Bank to issue guarantees and insurance where private enterprise will not issue them. pp. 18057-9

The "Daily Digest" states that the Ways and Means Committee "Met in executive session and instructed the chairman to introduce a clean bill to supersede H. R. 8691, to amend the Tariff Act of 1930 and certain related laws to provide for the restatement of the tariff classification provisions. The committee will meet Thursday, September 14, in executive session, to consider ordering the clean bill (H. R. 9189) reported." p. D846

7. PEACE CORPS. Began debate on H. R. 7500, to establish on a permanent basis the Peace Corps. pp. 18059-76

8. LOBBYING. Received the quarterly report on lobbying for the first calendar quarter of 1961. pp. 18087-117

#### SENATE

9. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 9033, the foreign aid appropriation bill for 1962 (S. Rept. 991), and H. R. 8072 the D. C. appropriation bill for 1962 (S. Rept. 993). p. 18119

~~Both Houses agreed to the conference report on H. R. 7371, the State-Justice appropriation bill for 1962, and acted on amendments in disagreement. This bill will now be sent to the President. pp. 18032-4, 18199-201~~

10. TRANSPORTATION. Debated H. R. 6775, to continue the authority for dual rate contracts by steamship conferences. pp. 18128-34, 18156-99

11. CORN. Sen. Miller stated that there has been "serious underestimates of corn production coming from the Department of Agriculture," and inserted an article, "See Corn High of 73 Bushels," predicting that "Iowa farmers are going to top-ple a trio of significant corn and soybean marks this fall." pp. 18143-4

12. DAIRY PRODUCTS. Sen. Miller inserted an editorial stating that "there was 29 percent more surplus of dairy products on July 31 of this year than as of 1 year ago," and contending that "It is economic folly to raise price supports to levels that stimulate excessive production of commodities for which there is no real consumer demand at the higher price." p. 18143

13. PEANUT RESEARCH. Sen. Talmadge inserted an article commending Sen. Russell for his efforts in the establishment of a National Peanut Research Center in Dawson, Ga. pp. 18145-6

14. FORESTRY; PERSONNEL. Sen. Thurmond inserted an article stating that Don Caron, a Forest Service District Ranger in the Okanogan Forest, Wash., "submitted his resignation after the Portland regional office, supported by the local administration of the Okanogan Forest, directed him to discontinue writing educational articles against communism," and his letter to Forest Service Chief McArdle asking "by what authority the regional forester has demanded that Mr. Caron discontinue this activity." pp. 18202-4

15. MANPOWER TRAINING. Sen. Clark expressed hope that reports that the House will not act this session on the proposed Manpower Development and Training Act "are inaccurate and that the House of Representatives will still find time to act on this important measure," and inserted an article supporting the bill and a series of reports by the Bureau of Labor Statistics summarizing European



FOREIGN ASSISTANCE AND RELATED AGENCIES  
APPROPRIATION BILL, 1962

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SEPTEMBER 13, 1961.—Ordered to be printed

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Mr. HAYDEN, from the Committee on Appropriations, submitted the following

## R E P O R T

[To accompany H.R. 9033]

The Committee on Appropriations, to which was referred the bill (H.R. 9033) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes made.

|                                              |                    |
|----------------------------------------------|--------------------|
| Amount of bill as passed House.....          | \$3, 835, 245, 000 |
| Amount of increase by Senate committee.....  | 580, 846, 000      |
| Amount of bill as reported to the Senate.... | 4, 416, 091, 000   |
| Amount of estimates, 1962.....               | 4, 993, 991, 000   |
| Amount of appropriations, 1961.....          | 4, 511, 105, 700   |

The bill as reported to the Senate:

|                                        |               |
|----------------------------------------|---------------|
| Under the estimates for 1962.....      | 577, 900, 000 |
| Under the appropriations for 1961..... | 95, 014, 700  |

## COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1961 AND ESTIMATES AND AMOUNTS RECOMMENDED IN BILL FOR 1962

## Summary

| Item                                                                             | Appropriations,<br>1961 | Budget esti-<br>mates, 1962<br>(revised) | Recommended<br>in House bill<br>for 1962 | Amount recom-<br>mended by<br>Senate com-<br>mittee | Increase (+) or decrease (-), Senate bill<br>compared with— |                             |
|----------------------------------------------------------------------------------|-------------------------|------------------------------------------|------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|-----------------------------|
|                                                                                  |                         |                                          |                                          |                                                     | Appropriations,<br>1961                                     | Budget esti-<br>mates, 1962 |
| Title I—Foreign assistance: Funds appropriated<br>to the President:              |                         |                                          |                                          |                                                     |                                                             |                             |
| Economic assistance.....                                                         | \$2,031,350,000         | \$2,890,500,000                          | \$2,057,500,000                          | \$2,496,600,000                                     | +\$465,250,000                                              | -\$393,900,000              |
| Military assistance.....                                                         | 1,800,000,000           | 1,885,000,000                            | 1,630,000,000                            | 1,700,000,000                                       | -100,000,000                                                | -185,000,000                |
| Total, title I, foreign assistance.....                                          | 3,831,350,000           | 4,775,500,000                            | 3,687,500,000                            | 4,196,600,000                                       | +365,250,000                                                | -578,900,000                |
| Title II—Department of the Army, civil func-<br>tions: Ryukyu Islands, Army..... | 6,089,000               | 6,835,000                                | 6,089,000                                | 7,835,000                                           | +1,746,000                                                  | +1,000,000                  |
| Title III—Export-Import Bank of Washington:                                      |                         |                                          |                                          |                                                     |                                                             |                             |
| Limitation on operating expenses.....                                            |                         | (1,175,058,000)                          | (1,170,000,000)                          |                                                     |                                                             | (-1,175,058,000)            |
| Limitation on administrative expenses.....                                       | (2,675,000)             | (3,010,000)                              | (3,010,000)                              | (3,010,000)                                         | (+335,000)                                                  |                             |
| Title IV—Treasury Department:                                                    |                         |                                          |                                          |                                                     |                                                             |                             |
| Investment in Inter-American Development<br>Bank.....                            |                         | 110,000,000                              | 110,000,000                              | 110,000,000                                         | +110,000,000                                                |                             |
| Subscription to the International Develop-<br>ment Association.....              | 73,666,700              | 61,656,000                               | 61,656,000                               | 61,656,000                                          | -12,010,700                                                 |                             |
| Total, title IV, Treasury Department.....                                        | 73,666,700              | 171,656,000                              | 171,656,000                              | 171,656,000                                         | +97,989,300                                                 |                             |
| Title V—Peace Corps.....                                                         |                         |                                          |                                          |                                                     |                                                             |                             |
| Total, titles I, II, III, IV, and V.....                                         | 3,911,105,700           | 4,993,991,000                            | 3,835,245,000                            | 4,416,091,000                                       | +504,985,300                                                | -577,900,000                |
| Inter-American cooperation.....                                                  | 600,000,000             |                                          |                                          |                                                     | -600,000,000                                                |                             |
| Grand total.....                                                                 | 4,511,105,700           | 4,993,991,000                            | 3,835,245,000                            | 4,416,091,000                                       | -95,014,700                                                 | -577,900,000                |
|                                                                                  |                         |                                          |                                          |                                                     |                                                             | +580,846,000                |
|                                                                                  |                         |                                          |                                          |                                                     |                                                             | +580,846,000                |



## TITLE I

## DEVELOPMENT LOANS

For the development loans, the committee recommends an appropriation of \$1,200 million. This is the full amount of the budget estimate, and is \$175 million more than the amount of \$1,025 million allowed by the House.

The original request from the President for development loans was for a period of 5 years, and consisted of \$8.8 billion to be derived by borrowings from the U.S. Treasury. The original request consisted of \$1.2 billion for fiscal year 1962 and \$1.9 billion for fiscal years 1963 through 1966. The \$1.9 billion for each of these fiscal years was to be financed by \$1.6 in borrowings from the Treasury and \$300 million in loan repayments from foreign countries into the Treasury. The authorizing legislation does not permit the use of any loan repayments but such repayments will constitute resources from which these appropriations may be made. It provides for direct appropriations rather than borrowings from the Treasury, and reduced the sums for the fiscal years 1963 through 1966 to \$1.5 billion per year.

Development loans are considered by the executive branch to be the heart of the new foreign assistance program, and to constitute the single most important tool of the "decade of development."

Loan requirements in fiscal year 1962 should be viewed in terms of three categories of countries:

1. India, Pakistan, and Brazil, for which \$800 million will be required in fiscal year 1962, tentative commitments of \$700 million already having been made.

2. The second category consists of 10 countries: Republic of China, Iran, Thailand, Korea, United Arab Republic, Israel, Tunisia, Nigeria, Argentina, and Colombia, the loan requirements in fiscal year 1962 of which are estimated to range between \$300 and \$400 million. It is thought that the state of development, efforts to undertake self-help measures, and the general importance from the standpoint of U.S. foreign policy of these countries make timely U.S. support mandatory.

3. The third category consists of 30 to 40 additional countries, many of which will certainly meet the criteria for individual project loans in fiscal year 1962, and the balance of which may meet these criteria. Twenty-two of the countries in this category presently have applications for loans in excess of \$300 million pending before the Development Loan Fund, many of which are for ready and sound high priority projects in friendly nations, critically located in the less developed areas.

The fiscal year 1962 economic aid program presented by the executive branch contemplates a significant shift from grants to loans, and the committee is hopeful that this trend will be continued and accelerated.

## DEVELOPMENT GRANTS

The committee recommends an appropriation of \$334 million for development grants. This is an increase of \$75 million over the amount allowed by the House and \$46 million under the amount of the budget estimate of \$380 million, which is also the amount allowed in the authorizing legislation.

The funds appropriated under this heading are to promote the economic development of less developed countries and areas. Emphasis is placed upon assistance in the development of human resources through programs of technical cooperation.

Development grants will be used for:

1. Educational, technical, and professional training.
2. Institutional development (agricultural credit, regional community development, trade unionism, and other urban movements, and public administration).
3. Development planning—helping countries to set goals and to plan rationally on ways to attain them.
4. Internal reform and social development, including disease control, land reform, improved housing and sanitary conditions, and social services for workers.
5. Basic economic facilities—improvements in such fields as transportation and communications, water supply, and sanitation.
6. Aid to American-sponsored schools in 27 countries abroad.
7. Shipping gifts of food, clothing, et cetera, from private American voluntary agencies to needy persons in some 70 countries.
8. Atomic energy for peaceful uses, consisting principally of grants for atomic reactors, equipment, consultants, and training.

The committee recommended an increase of \$75 million over the House allowance for development grants in order to permit new activities in advancing the development of human resources which are an essential prerequisite and accompaniment to economic and social progress. The committee noted that over \$190 million of activities of this nature have been screened by the executive branch. The increase recommended by the committee, although \$46 million below the requested amount, will permit a major start on these new activities.

The committee struck the three itemizations of specific figures under this program, which reserved not less than the stated amounts for ocean freight, atoms for peace, and the malaria eradication program, for the reason that such itemizations create programing inflexibility.

## DEVELOPMENT GRANTS, SPECIAL AUTHORIZATION

## GENERAL SIKORSKI TRADE SCHOOL, HYZNA, POLAND

The committee recommends the appropriation of \$100,000 to be used to purchase U.S.-owned foreign currencies, which will be used for the construction of the General Sikorski Trade School, Hyzna, Poland. The language in the bill, recommended by the committee, is as follows:

*Development grants, special authorization: For assistance authorized by section 214(b) for construction of the General Sikorski Trade School, Hyzna, Poland, \$100,000, to remain*



*available until expended, to be used to purchase foreign currencies which the Department of the Treasury may determine to be excess to the normal requirements of the United States.*

#### SURVEYS OF INVESTMENT OPPORTUNITIES

For "Surveys of investment opportunities," the committee recommends an appropriation of \$3 million, a reduction of \$2 million below the budget estimate of \$5 million which amount was also legislatively authorized. The House of Representatives did not allow anything under this head.

The funds will be used to encourage and promote surveys of investment opportunities, other than surveys of extraction opportunities, by private enterprise in the less developed countries and areas. The funds made available in the bill will permit our Government to participate in the financing of any such survey approved by the President, but in an amount not to exceed 50 percent of the total cost thereof.

#### INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The House allowed an appropriation of \$153,500,000, the amount of the authorizing legislation. The committee concurs in the House action.

This appropriation provides for contributions to international organizations and programs. Heretofore these contributions have been made under different sections of the Mutual Security Act. The instant bill has combined them in one chapter. Some of the programs are partly funded on a voluntary basis and are partly financed by assessments from the Department of State Appropriation Act.

From this appropriation the administration proposes to contribute to 13 organizations and programs in fiscal year 1962, as follows:

[Millions of dollars]

##### United Nations:

|                                                          |         |
|----------------------------------------------------------|---------|
| 1. UNTA and Special Fund.....                            | \$40. 0 |
| 2. U.N. Congo—military.....                              | 27. 0   |
| 3. U.N. Congo—economic.....                              | 35. 0   |
| 4. United Nations Relief and Works Agency.....           | 13. 35  |
| 5. U.N. Emergency Force.....                             | 1. 8    |
| 6. U.N. Children's Fund.....                             | 12. 0   |
| 7. World Health Organization—malaria eradication.....    | 2. 5    |
| 8. World Health Organization—worldwide water supply..... | . 4     |
| 9. World Health Organization—medical research.....       | . 5     |
| 10. International Atomic Energy Agency.....              | . 75    |

|               |        |
|---------------|--------|
| Subtotal..... | 133. 3 |
|---------------|--------|

##### Regional programs:

|                                                                |       |
|----------------------------------------------------------------|-------|
| 11. Organization of American States—technical cooperation..... | 1. 5  |
| 12. NATO science program.....                                  | 1. 8  |
| 13. Indus waters.....                                          | 16. 9 |

|               |       |
|---------------|-------|
| Subtotal..... | 20. 2 |
|---------------|-------|

|                  |        |
|------------------|--------|
| Grand total..... | 153. 5 |
|------------------|--------|

All of these programs are presently being carried forward. Ten of them are undertaken within the framework of the United Nations system; two are undertakings of regional organizations; and one, the Indus waters program, is undertaken by an ad hoc consortium. Most of these programs are in support of the social and economic development of the less developed countries.

### SUPPORTING ASSISTANCE

The committee recommends an appropriation of \$450 million for "Supporting assistance." This is an increase of \$50 million over the amount allowed by the House of \$400 million and \$131 million under the budget estimate of \$581 million. The authorizing legislation allowed \$465 million. The committee further recommends that \$25 million of this appropriation be for assistance for Spain.

In arriving at the recommended appropriation, the committee took into account its recommendation that unobligated balances be continued available for obligation, as well as the availability of the contingency fund.

In former Mutual Security Acts, provision was made for "Defense support," under which assistance was provided to countries which contributed significant military forces and forward military bases essential to the security of the free world, and "Special assistance," consisting of economic grants-in-aid of attainment by countries of political, economic, humanitarian, or other desirable objectives. In the instant bill both of the above categories of assistance have been combined under "Supporting assistance."

Funds appropriated for "Supporting assistance" will be utilized in an effort to achieve the following objectives:

1. To enable countries to continue to make specific contributions to the common defense by the maintenance of military forces capable of defending against external aggression, of contributing to regional defenses, or of maintaining adequate internal security.

2. To maintain access to U.S. bases, and to assist local governments economically to deal with problems inherent in the existence of such bases.

3. To maintain economic stability in countries where pressing economic needs surpass productive capabilities.

4. To provide an alternative to Sino-Soviet bloc aid where such aid threatens a country's independence.

### CONTINGENCY FUND

For the contingency fund, the committee recommends an appropriation of \$300 million, an increase of \$125 million over the House allowance, and a decrease of \$200 million under the budget estimate of \$500 million. The authorizing legislation allowed \$300 million.

The contingency fund serves as a reserve to meet anticipated non-military assistance requirements, which at the time of congressional presentation have not matured, and unpredictable requirements occasioned by fortuitous occurrences. One of the anticipated requirements is the possible need for additional aid to countries receiving supporting assistance, most of which have limited foreign exchange resources and little or no capacity to finance increased budgetary



requirements or increased imports. The needs of such countries, or of other countries for which supporting assistance does not now appear to be necessary, may increase beyond original calculations as a result of events over which neither they nor we have any control. Natural disasters may take unbearable tolls, exports may fall below expectations because of price declines, and internal political crises may necessitate large governmental expenditures, which may make necessary the use of the contingency fund.

## AGENCY FOR INTERNATIONAL DEVELOPMENT

### ADMINISTRATIVE EXPENSES

The budget estimate for these administrative expenses is \$51 million. The authorizing legislation allowed \$50 million. The committee recommends an appropriation of \$50 million, an increase of \$5 million over the House allowance of \$45 million. The committee was advised that the requested amount represented funding required to support the proposed AID, and would provide for a staffing level in this new organization equivalent in size to that existing in its predecessor entities—ICA, DLF, and certain State Department functions as of June 30, 1961.

The House bill authorizes the purchase of 25 automobiles. The committee amendment makes it clear that these automobiles are in addition to those otherwise authorized. Insofar as possible, the AID should purchase American compact automobiles.

### MILITARY ASSISTANCE

For "Military assistance," the committee recommends an appropriation of \$1,700 million, an increase of \$100 million over the House allowance of \$1,600 million, and a decrease of \$185 million under the budget estimate of \$1,885 million. The authorizing legislation allowed \$1,700 million. The amount for administrative expenses has been increased by the committee from \$24 to \$25 million, the amount of the budget estimate.

These appropriated funds are to provide military equipment, training, supplies to other countries or international organizations in order to fulfill U.S. national security objectives, for financial contributions to multilateral programs for the acquisition or construction of facilities in foreign countries for collective defense, and for expenses incident to U.S. participation in regional or collective defense organizations.

The following is a breakdown of the fiscal year 1962 budget estimate:

|                                                                              |                    |
|------------------------------------------------------------------------------|--------------------|
| By area, total-----                                                          | \$1, 885, 000, 000 |
| Europe-----                                                                  | 414, 700, 000      |
| Africa-----                                                                  | 48, 200, 000       |
| Near East and South Asia-----                                                | 453, 500, 000      |
| Far East-----                                                                | 870, 300, 000      |
| Latin America-----                                                           | 68, 400, 000       |
| Nonregional-----                                                             | 29, 900, 000       |
| By category, total-----                                                      | 1, 885, 000, 000   |
| Essentially fixed charges-----                                               | 376, 300, 000      |
| Infrastructure-----                                                          | 76, 100, 000       |
| International military headquarters and agencies-----                        | 11, 300, 000       |
| Training-----                                                                | 122, 500, 000      |
| Supply operations-----                                                       | 141, 400, 000      |
| Administrative expenses-----                                                 | 25, 000, 000       |
| Force maintenance-----                                                       | 740, 700, 000      |
| Spare parts-----                                                             | 340, 600, 000      |
| Attrition, training, ammunition, repair and rehabilitation of equipment----- | 292, 500, 000      |
| Other consumables-----                                                       | 107, 600, 000      |
| Force improvement-----                                                       | 768, 000, 000      |
| Aircraft-----                                                                | 258, 100, 000      |
| Ships-----                                                                   | 49, 400, 000       |
| Tanks, vehicles, and weapons-----                                            | 67, 700, 000       |
| Missiles-----                                                                | 135, 600, 000      |
| Electronics and communication-----                                           | 18, 400, 000       |
| Special programs-----                                                        | 94, 400, 000       |
| Construction-----                                                            | 59, 600, 000       |
| All other-----                                                               | 84, 800, 000       |

Approximately \$1.1 billion of the total is required for force maintenance and to meet such fixed charges as NATO infrastructure. This would leave an approximate balance of \$600 million of the authorized amount available for force modernization and improvements so as to keep pace with the Soviet and Communist Chinese military strength.

#### INTER-AMERICAN DEFENSE COLLEGE

Under the appropriation "Military assistance," the committee recommends the inclusion in the bill of the following language:

*Construction of U.S.-owned facilities in the District of Columbia or elsewhere for the training of foreign military personnel,*

From a number of sites offered by the United States, the Inter-American Defense Board has chosen Fort Meade for the location of the Inter-American Defense College, which selection has been approved by the Departments of State and Defense. It has been determined that it is necessary to construct a classroom building at Fort Meade, in which military personnel from Latin American countries will receive instruction. Without such building, the Inter-American Defense College will be inhibited in carrying out its worthy function.



## MILITARY ASSISTANCE, SPECIAL PROVISIO

The committee recommends that the following language be added to the paragraph "Military assistance".

*Provided, That to the extent that these funds have not been otherwise previously programed, amounts equivalent to the value of orders issued pursuant to the special authority granted in section 510(a) shall be used to reimburse the appropriations financing the replacement of goods or services furnished pursuant to such orders.*

## STATE DEPARTMENT

## ADMINISTRATIVE EXPENSES

House Documents 210 and 217 contained estimates of appropriations in the amount of \$6,001,000 for this item. The House Appropriations Committee in the supplemental appropriation bill, 1962, denied these funds and indicated that such expenses should be financed as heretofore out of the foreign assistance appropriations rather than from the Department of State appropriations.

The committee recommends an appropriation of \$6 million which is \$1,000 under the amount of the budget estimate.

The funds are required for principal activities in the Department of State relating to military and economic assistance programs and normal functions of the Department of State related to such programs.

## UNOBLIGATED BALANCES

The committee recommends that the House language be amended as follows:

*Unobligated balances ~~(not to exceed \$50,000,000)~~ as of June 30, 1961, of funds heretofore made available for Military Assistance under the authority of the Mutual Security Act of 1954, as amended, are, except as otherwise provided by law, hereby continued available for the fiscal year 1962 for the same general purposes for which appropriated.*

The effect of the foregoing provision is to continue available the following estimated unobligated balances:

|                                        |              |
|----------------------------------------|--------------|
| Development grants.....                | \$15. 5      |
| Supporting assistance.....             | 51. 0        |
| UNRWA (Palestine refugee program)..... | 4. 9         |
| Administrative expenses.....           | 1. 1         |
| Contingency fund.....                  | 8. 9         |
| <hr/> Total economic.....              | <hr/> 81. 4  |
| Military assistance.....               | 25. 0        |
| <hr/> Total.....                       | <hr/> 106. 4 |

The continued availability of unobligated balances has been a feature of the foreign assistance program for the past several years. For fiscal year 1958 and 1959 a major portion of unobligated balances was carried forward. For fiscal year 1960 and 1961 all of the unobligated balances were carried forward. The executive branch's original requests for new appropriations were reduced by deducting anticipated

carryover. The authorizing legislation also took into account the amounts of unobligated balances in establishing the authorization for new obligational authority.

## RELIGIOUS AND RACE DISTINCTIONS

Section 108 of the House bill expresses the sense of the Congress that it is repugnant to the principles of the United States for foreign nations to create distinctions among American citizens because of their race or religion. This section was placed in the bill on the floor of the House of Representatives, and was also included in the appropriation act last year.

The committee urges the executive departments concerned to give force to the sense of the Congress as expressed in this section in the administration of the foreign assistance program, to the extent feasible, and by other appropriate means.

## PROCUREMENT OUTSIDE OF THE UNITED STATES

The inclusion of the following new section in the bill is recommended by the committee:

*SEC. 110. Any obligation made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: Provided, that each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, that foreign procurement will not adversely affect the economy of the United States.*

## TITLE II

### DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

#### ADMINISTRATION OF THE RYUKYU ISLANDS

The budget estimate for civil administration of the Ryukyu Islands is in the amount of \$6,835,000. The House has allowed an appropriation of \$6,089,000, a decrease of \$746,000 below the budget estimate. The committee recommends an appropriation of \$7,835,000, which is \$1 million more than the budget estimate.

The committee has increased the limitation on the amount which may be used for contingencies by the High Commissioner from \$3,000 to \$4,000. The committee also recommends the full amount of the budget estimate of \$1,835,000 as the limitation to be placed on the item "Administrative and information expenses."

The increase of \$1 million is recommended by the committee so that the salaries of Ryukyuan teachers may be increased to be more nearly in line with their counterparts in Japan.



**TITLE III****EXPORT-IMPORT BANK OF WASHINGTON****LIMITATIONS ON OPERATING AND ADMINISTRATIVE EXPENSES****ADMINISTRATIVE EXPENSES**

The committee concurs in the action of the House in recommending an administrative expense limitation of \$3,010,000, the amount of the budget estimate.

**OPERATING EXPENSES**

The committee recommends the deletion from the bill of language creating a limitation on operating expenses, as follows:

Not to exceed \$1,170,000,000 (of which not to exceed \$600,000,000 shall be for development loans) shall be obligated during the current fiscal year for other than administrative expenses.

Since its creation, the Bank has not had imposed upon it a dollar limitation, except for administrative expenses, on the amount of obligations it may incur within its total borrowing authority in any one year. The original operating budget for the Bank, exclusive of the administrative expenses, was in the amount of \$1,175,058,000, of which it was expected that \$602 million would be used for development loans. The House provision authorized substantially what was in the budget document. Subsequent to the submission of the budget document, however, the program of the Export-Import Bank was revised, and the latest figures available to this committee comprise a minimum total of \$1,570 million which will be required for operating expenses, of which \$800 million will be needed for development loans. The committee feels, in view of the Bank's record of prudent management, that no limitation on its operating expenses is necessary.

**TITLE IV****TREASURY DEPARTMENT****INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK**

The committee recommends an appropriation of \$110 million to cover the installments (\$60 million for paid-in capital stock and \$50 million for special operations fund) due in fiscal year 1962. This is the amount of the budget estimate, which was also allowed by the House.

Public Law 86-147, approved August 7, 1959, provided for membership of the United States in the Bank, an institution sponsored by the nations of the Organization of American States, and designed to accelerate the economic development of the American Republics by providing capital and technical assistance and by encouraging private investment in development projects. A total appropriation of \$450 million by the United States was authorized, \$390 million of which will have been paid with the addition of this appropriation.

## SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For the second installment of the initial U.S. subscription of \$320,290,000 (payable in five annual installments), the committee recommends an appropriation of \$61,656,000, the budget estimate, and the amount allowed by the House.

The International Development Association is an international organization, affiliated with the International Bank for Reconstruction and Development, designed to provide development financing on flexible terms for its less developed member countries. Membership of the United States was provided for in Public Law 86-565, approved June 30, 1960. The first installment of the United States, in the amount of \$73,666,700, was appropriated in Public Law 86-651, approved July 14, 1960. The remaining three annual installments will each be in the amount of \$61,655,825.

## TITLE V

## PEACE CORPS

## SALARIES AND EXPENSES

The budget estimate for "Salaries and expenses" for the Peace Corps is \$40 million. The House Appropriations Committee allowed \$20 million, but the item was deleted from the bill on the floor of the House on a point of order. The committee recommends an appropriation of \$40 million, and further recommends that the following amendment be included in the bill:

## TITLE V—PEACE CORPS

*FUNDS APPROPRIATED TO THE PRESIDENT*

*For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act, including purchase of not to exceed sixteen passenger motor vehicles for use outside the United States, in addition to those otherwise authorized, \$40,000,000: Provided, That this paragraph shall be effective only upon enactment of S. 2000 or H.R. 7500, Eighty-seventh Congress, or similar legislation to provide for a Peace Corps.*

The Peace Corps represents the first effort of the U.S. Government to sponsor a program of international service in which Americans will perform arduous tasks abroad on a voluntary basis. Its objectives, as envisioned by the administration, are an important contribution to economic development of the countries in which the volunteers will serve. In addition the Peace Corps will bring about a much improved understanding of the United States on the part of the people in such countries, and ultimately, through the volunteers, to accomplish a better understanding of those countries by our people.

The committee was advised that 14 countries have requested Peace Corps programs; that approximately 13,000 American men and women have volunteered; and that applications are being received at the rate of more than 100 per week. Approximately 500 volunteers are abroad or in training, and with the amount recommended by the committee, the administration anticipates an additional 2,200 volunteers by the end of fiscal year 1962.



## TITLE VI

## GENERAL PROVISIONS

## DISCLOSURE OF DOCUMENTS

The committee recommends that the following amendment included in the bill on the floor of the House of Representatives with reference to the withholding of documents be amended as indicated:

SEC. 602. None of the funds herein appropriated shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance, relating to any review, inspection, or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, (A) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (B) *a certification by the President that he has forbidden the furnishing thereof pursuant to such request, and his reason for so doing.*

With this amendment, the provision continues in law an arrangement which was worked out 2 years ago in close collaboration between the executive and legislative branches and which has worked successfully, giving due recognition to the responsibilities of both branches in this field.

## CONFIRMATORY PROVISIONS

The inclusion of the following new section of the general provisions in the bill is recommended by the committee:

*SEC. 603. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1961, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1961, and the date of enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.*

This provision is customarily utilized, as it was in the Mutual Security and Related Agencies Appropriation Act, 1961, when the applicable appropriation act for any program or agency is not enacted by the first day of the fiscal year to which it applies and when operations have been financed from temporary appropriations pending passage of the regular appropriation act.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1961 AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1962

TITLE I—FOREIGN ASSISTANCE

| Item                                           | Appropriations,<br>1961 | Budget esti-<br>mates, 1962<br>(revised) | Recommended<br>in House bill<br>for 1962 | Amount recom-<br>mended by<br>Senate committee | Increase (+) or decrease (-), Senate bill<br>compared with— |                             |                |
|------------------------------------------------|-------------------------|------------------------------------------|------------------------------------------|------------------------------------------------|-------------------------------------------------------------|-----------------------------|----------------|
|                                                |                         |                                          |                                          |                                                | Appropriations,<br>1961                                     | Budget esti-<br>mates, 1962 | House bill     |
| <b>FUNDS APPROPRIATED TO THE PRESIDENT</b>     |                         |                                          |                                          |                                                |                                                             |                             |                |
| <b>ECONOMIC ASSISTANCE</b>                     |                         |                                          |                                          |                                                |                                                             |                             |                |
| Development loans.....                         | \$600,000,000           | \$1,200,000,000                          | \$1,025,000,000                          | \$1,200,000,000                                | +\$600,000,000                                              | -----                       | +\$175,000,000 |
| Development grants.....                        | -----                   | 380,000,000                              | 259,000,000                              | 334,000,000                                    | +334,000,000                                                | -\$46,000,000               | +75,000,000    |
| Development grants, special authorization..... | -----                   | -----                                    | -----                                    | 100,000                                        | +100,000                                                    | +100,000                    | +100,000       |
| Surveys of investment opportunities.....       | -----                   | 5,000,000                                | -----                                    | 3,000,000                                      | +3,000,000                                                  | -2,000,000                  | +3,000,000     |
| Development research.....                      | -----                   | 20,000,000                               | -----                                    | -----                                          | -----                                                       | -20,000,000                 | -----          |
| International organizations and programs.....  | -----                   | 153,500,000                              | 153,500,000                              | 153,500,000                                    | +153,500,000                                                | -----                       | -----          |
| Supporting assistance.....                     | -----                   | 581,000,000                              | 400,000,000                              | 450,000,000                                    | +450,000,000                                                | -131,000,000                | +50,000,000    |
| Contingency fund.....                          | 250,000,000             | 500,000,000                              | 175,000,000                              | 300,000,000                                    | +50,000,000                                                 | -200,000,000                | +125,000,000   |
| Administrative expenses.....                   | 38,000,000              | 51,000,000                               | 45,000,000                               | 50,000,000                                     | +12,000,000                                                 | -1,000,000                  | +5,000,000     |
| Administrative expenses (State).....           | 8,000,000               | -----                                    | -----                                    | 6,000,000                                      | -2,000,000                                                  | +6,000,000                  | +6,000,000     |
| Defense support.....                           | 675,000,000             | -----                                    | -----                                    | -----                                          | -675,000,000                                                | -----                       | -----          |
| Technical cooperation, general.....            | 150,000,000             | -----                                    | -----                                    | -----                                          | -150,000,000                                                | -----                       | -----          |
| U.N. technical assistance program.....         | 33,000,000              | -----                                    | -----                                    | -----                                          | -33,000,000                                                 | -----                       | -----          |
| OAS technical cooperation programs.....        | 1,300,000               | -----                                    | -----                                    | -----                                          | -1,300,000                                                  | -----                       | -----          |



## Special assistance:

|                                                         |               |                 |               |                 |              |              |
|---------------------------------------------------------|---------------|-----------------|---------------|-----------------|--------------|--------------|
| General authorization.....                              | 230,000,000   |                 |               |                 | -230,000,000 |              |
| Special authorization.....                              | 1,500,000     |                 |               |                 | -1,500,000   |              |
| Intergovernmental Committee for European Migration..... | 6,700,000     |                 |               |                 | -6,700,000   |              |
| U.N. High Commissioner for Refugees.....                | 1,300,000     |                 |               |                 | 1,300,000    |              |
| Escapee program.....                                    | 3,350,000     |                 |               |                 | 3,350,000    |              |
| U.N. Children's Fund.....                               | 12,000,000    |                 |               |                 | 12,000,000   |              |
| U.N. Relief and Works Agency.....                       | 16,500,000    |                 |               |                 | 16,500,000   |              |
| NATO science program.....                               | 1,200,000     |                 |               |                 | -1,200,000   |              |
| Ocean freight charges.....                              | 2,000,000     |                 |               |                 | -2,000,000   |              |
| Atoms for peace.....                                    | 1,500,000     |                 |               |                 | -1,500,000   |              |
| Total, economic assistance.....                         | 2,031,350,000 | 1 2,890,500,000 | 2,057,500,000 | 2,496,600,000   | +465,250,000 | -393,900,000 |
| MILITARY ASSISTANCE                                     |               |                 |               |                 |              |              |
| Military assistance.....                                | 1,800,000,000 | 2 1,885,000,000 | 1,600,000,000 | 1,700,000,000   | -100,000,000 | -185,000,000 |
| Total, title I, foreign assistance.....                 | 3,831,350,000 | 3 4,775,500,000 | 3,657,500,000 | 3 4,196,600,000 | +365,250,000 | -578,900,000 |
|                                                         |               |                 |               |                 |              | +439,100,000 |

## TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

|                      |             |             |             |             |              |              |
|----------------------|-------------|-------------|-------------|-------------|--------------|--------------|
| RYUKYU ISLANDS, ARMY |             |             |             |             |              |              |
| Administration.....  | \$6,089,000 | \$6,835,000 | \$6,089,000 | \$7,835,000 | +\$1,746,000 | +\$1,000,000 |
|                      |             |             |             |             |              | +\$1,746,000 |

## TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

|                                            |               |                   |                   |               |              |                    |
|--------------------------------------------|---------------|-------------------|-------------------|---------------|--------------|--------------------|
| Limitation on operating expenses.....      | (1)           | (\$1,175,058,000) | (\$1,170,000,000) | (2)           | (3)          | (-\$1,175,058,000) |
| Limitation on administrative expenses..... | (\$2,675,000) | 6 (3,010,000)     | (3,010,000)       | (\$3,010,000) | (+\$335,000) | (-\$1,170,000,000) |

See footnotes at end of table, p. 16.

## Comparative statement of appropriations for 1961 and estimates and amounts recommended in bill for 1962—Continued

## TITLE IV—TREASURY DEPARTMENT

| Item                                                           | Appropriations,<br>1961 | Budget esti-<br>mates, 1962<br>(revised) | Recommended<br>in House bill<br>for 1962 | Amount recom-<br>mended by<br>Senate com-<br>mittee | Increase (+) or decrease (-), Senate bill<br>compared with— |                             |            |
|----------------------------------------------------------------|-------------------------|------------------------------------------|------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|-----------------------------|------------|
|                                                                |                         |                                          |                                          |                                                     | Appropriations,<br>1961                                     | Budget esti-<br>mates, 1962 | House bill |
| Investment in Inter-American Development Bank.....             |                         | \$110,000,000                            | \$110,000,000                            | \$110,000,000                                       | +\$110,000,000                                              |                             |            |
| Subscription to the International Development Association..... | \$73,666,700            | 61,656,000                               | 61,656,000                               | 61,656,000                                          | -12,010,700                                                 |                             |            |
| Total, title IV, Treasury Department.....                      | 73,666,700              | 171,656,000                              | 171,656,000                              | 171,656,000                                         | +97,989,300                                                 |                             |            |

## TITLE V—PEACE CORPS

|                                                             |                 |               |                 |               |               |                |               |
|-------------------------------------------------------------|-----------------|---------------|-----------------|---------------|---------------|----------------|---------------|
| Salaries and expenses.....                                  |                 | \$40,000,000  |                 | \$40,000,000  | +\$40,000,000 |                | +\$40,000,000 |
| Total, titles I, II, III, IV, and V.....                    | \$3,911,105,700 | 4,993,991,000 | \$3,835,245,000 | 4,416,091,000 | +504,985,300  | -\$577,900,000 | +580,846,000  |
| INTER-AMERICAN COOPERATION <sup>1</sup>                     |                 |               |                 |               |               |                |               |
| Inter-American social and economic cooperation program..... | 500,000,000     |               |                 |               | -500,000,000  |                |               |
| Chilean reconstruction and rehabilitation program.....      | 100,000,000     |               |                 |               | -100,000,000  |                |               |
| Total, Inter-American cooperation.....                      | 600,000,000     |               |                 |               | -600,000,000  |                |               |
| Grand total.....                                            | 4,511,105,700   | 4,993,991,000 | 3,835,245,000   | 4,416,091,000 | -95,014,700   | -577,900,000   | +580,846,000  |

<sup>1</sup> Reflects net decrease of \$509,500,000 contained in H. Doc. 208.<sup>2</sup> Includes \$85,000,000 in H. Doc. 208.<sup>3</sup> In addition, all unobligated balances continued available, estimated to total \$106,412,000, including \$25,000,000 for "Military assistance."<sup>4</sup> In addition, not to exceed \$50,000,000 of unobligated prior year funds reappropriated.<sup>5</sup> No limitation imposed.<sup>6</sup> Includes \$260,000 in Doc. 208.<sup>7</sup> Funds provided in Public Law 87-41, approved May 27, 1961.



Calendar No. 974

87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 9033

[Report No. 991]

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 6, 1961

Read twice and referred to the Committee on Appropriations

SEPTEMBER 13, 1961

Reported by Mr. HAYDEN, with amendments

[Omit the part struck through and insert the part printed in italic]

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## AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That the following sums are appropriated, out of any money  
4        in the Treasury not otherwise appropriated, for the fiscal  
5        year ending June 30, 1962, namely:

6                TITLE I—FOREIGN ASSISTANCE

7                FUNDS APPROPRIATED TO THE PRESIDENT

8                For expenses necessary to enable the President to carry  
9        out the provisions of the Foreign Assistance Act of 1961,

1 to remain available until June 30, 1962, unless otherwise  
2 specified herein, as follows:

3 ECONOMIC ASSISTANCE

4 Development loans: For expenses authorized by section  
5 202 (a), ~~\$1,025,000,000~~ \$1,200,000,000, to remain avail-  
6 able until expended.

7 Development grants: For expenses authorized by section  
8 212, including ~~\$2,673,000~~ for ocean freight, ~~\$1,139,000~~ for  
9 Atoms for Peace, and ~~\$24,925,000~~ for the malaria eradica-  
10 tion program, ~~\$259,000,000~~ \$334,000,000, to remain avail-  
11 able until expended.

12 *Development grants, special authorization: For assist-*  
13 *ance authorized by section 214(b) for construction of the*  
14 *General Sikorski Trade School, Hyzna, Poland, \$100,000,*  
15 *to remain available until expended, to be used to purchase*  
16 *foreign currencies which the Department of the Treasury*  
17 *may determine to be excess to the normal requirements of the*  
18 *United States.*

19 *Surveys of investment opportunities: For expenses au-*  
20 *thorized by section 232, \$3,000,000, to remain available*  
21 *until expended.*

22 International organizations and programs: For expenses  
23 authorized by section 302, \$153,500,000.

24 Supporting assistance: For expenses authorized by sec-  
25 tion 402, ~~\$400,000,000~~ \$425,000,000, and, in addition, for



1 *supporting assistance for Spain as authorized by section 402,*  
 2 *\$25,000,000, all of which to remain available until expended.*

3 Contingency fund: For expenses authorized by section  
 4 451 (a), ~~\$175,000,000~~ \$300,000,000.

5 Administrative expenses: For expenses authorized by  
 6 section 637 (a), including the purchase of not to exceed  
 7 twenty-five passenger motor vehicles for use outside the  
 8 United States, *in addition to those otherwise authorized,*  
 9 ~~\$45,000,000~~ \$50,000,000.

#### 10 MILITARY ASSISTANCE

11 Military assistance: For expenses authorized by sec-  
 12 tion 504 (a), including administrative expenses author-  
 13 ized by section 636 (g) (1), which shall not exceed  
 14 ~~\$24,000,000~~ \$25,000,000 for the current fiscal year,  
 15 *construction of United States-owned facilities in the*  
 16 *District of Columbia or elsewhere for the training of*  
 17 *foreign military personnel, and purchase of passenger*  
 18 *motor vehicles for replacement only for use outside the*  
 19 *United States, ~~\$1,600,000,000~~ \$1,700,000,000 to remain*  
 20 *available until expended: Provided, That to the extent that*  
 21 *these funds have not been otherwise previously programed*  
 22 *amounts equivalent to the value of orders issued pursuant to*  
 23 *the special authority granted in section 510(a) shall be used*  
 24 *to reimburse the appropriations financing the replacement of*  
 25 *goods or services furnished pursuant to such orders.*

DEPARTMENT OF STATE

2        *Administrative and other expenses: For expenses author-*  
3        *ized by section 637(b) of the Foreign Assistance Act of 1961*  
4        *and by section 305 of the Mutual Defense Assistance Control*  
5        *Act of 1951, as amended, \$6,000,000.*

Unobligated balances ~~(not to exceed \$50,000,000)~~ as of June 30, 1961, of funds heretofore made available for Military Assistance under the authority of the Mutual Security Act of 1954, as amended, are, except as otherwise provided by law, hereby continued available for the fiscal year 1962 for the same general purposes for which appropriated.

## GENERAL PROVISIONS

13        SEC. 101. Amounts certified pursuant to section 1311  
14 of the Supplemental Appropriation Act, 1955, as having  
15 been obligated against appropriations heretofore made under  
16 the authority of the Mutual Security Act of 1954, as amended,  
17 for the same general purpose as any of the subparagraphs  
18 under "Economic Assistance" except the subparagraph of  
19 this title for "Administrative expenses", are hereby con-  
20 tinued available for the same period as the respective appro-  
21 priations in such subparagraphs for the same general  
22 purpose.

23 SEC. 102. None of the funds herein appropriated shall  
24 be used to finance the construction of any new flood con-



1 trol, reclamation, or other water or related land resource  
2 project or program which has not met the standards  
3 and criteria used in determining the feasibility of flood con-  
4 trol, reclamation and other water and related land resource  
5 programs and projects proposed for construction within the  
6 United States of America as per circular A-47 of the  
7 Bureau of the Budget, dated December 31, 1952.

8 SEC. 103. Obligations made from funds herein appro-  
9 priated for engineering and architectural fees and services  
10 to any individual or group of engineering and architectural  
11 firms on any one project in excess of \$25,000 shall be re-  
12 ported to the Committees on Appropriations of the Senate  
13 and House of Representatives at least twice annually.

14 SEC. 104. Except for the appropriations entitled "Con-  
15 tingency fund" and "Development loans", not more than  
16 20 per centum of any appropriation item made available  
17 by this title shall be obligated and/or reserved during the  
18 last month of availability.

19 SEC. 105. None of the funds herein appropriated nor  
20 any of the counterpart funds generated as a result of assist-  
21 ance hereunder or any prior Act shall be used to pay  
22 pensions, annuities, retirement pay or adjusted service com-  
23 pensation for any persons heretofore or hereafter serving  
24 in the armed forces of any recipient country.

1        SEC. 106. None of the funds herein appropriated shall  
2 be used to finance any of the activities under the Investment  
3 Incentive Fund Program.

4        SEC. 107. The Congress hereby reiterates its opposition  
5 to the seating in the United Nations of the Communist China  
6 regime as the representative of China, and it is hereby  
7 declared to be the continuing sense of the Congress that the  
8 Communist regime in China has not demonstrated its willing-  
9 ness to fulfill the obligations contained in the Charter of  
10 the United Nations and should not be recognized to repre-  
11 sent China in the United Nations. In the event of the seat-  
12 ing of representatives of the Chinese Communist regime in  
13 the Security Council or General Assembly of the United  
14 Nations, the President is requested to inform the Congress  
15 insofar as is compatible with the requirements of national  
16 security, of the implications of this action upon the foreign  
17 policy of the United States and our foreign relationships,  
18 including that created by membership in the United Nations,  
19 together with any recommendations which he may have with  
20 respect to the matter.

21        SEC. 108. It is the sense of Congress that any attempt  
22 by foreign nations to create distinctions because of their  
23 race or religion among American citizens in the granting of



1 personal or commercial access or any other rights otherwise  
2 available to United States citizens generally is repugnant  
3 to our principles; and in all negotiations between the United  
4 States and any foreign state arising as a result of funds  
5 appropriated under this title these principles shall be applied  
6 as the President may determine.

7     SEC. 109. None of the funds provided in this title shall  
8 be available for assistance to any country, the government  
9 of which sells arms, ammunition, or implements of war to the  
10 Castro regime, or which furnishes, by grant or loan, any  
11 military or economic aid to that regime, unless the President  
12 determines that the withholding of such assistance to such  
13 country would be contrary to the national interest.

14     *SEC. 110. Any obligation made from funds provided in*  
15 *this title for procurement outside the United States of any*  
16 *commodity in bulk and in excess of \$100,000 shall be reported*  
17 *to the Committees on Appropriations of the Senate and the*  
18 *House of Representatives at least twice annually: Provided,*  
19 *That each such report shall state the reasons for which the*  
20 *President determined, pursuant to criteria set forth in section*  
21 *604(a) of the Foreign Assistance Act of 1961, that foreign*  
22 *procurement will not adversely affect the economy of the*  
23 *United States.*

1 TITLE II—DEPARTMENT OF THE ARMY—CIVIL  
2 FUNCTIONS

3 RYUKYU ISLANDS, ARMY

4 ADMINISTRATION

5 For expenses, not otherwise provided for, necessary to  
6 meet the responsibilities and obligations of the United States  
7 in connection with the government of the Ryukyu Islands,  
8 as authorized by the Act of July 12, 1960 (74 Stat. 461) ;  
9 services as authorized by section 15 of the Act of August 2,  
10 1946 (5 U.S.C. 55a), of individuals not to exceed ten in  
11 number; not to exceed ~~\$3,000~~ \$4,000 for contingencies for  
12 the High Commissioner, to be expended in his discretion; hire  
13 of passenger motor vehicles and aircraft; purchase of four  
14 passenger motor vehicles for replacement only; and con-  
15 struction, repair, and maintenance of buildings, utilities, facili-  
16 ties, and appurtenances; ~~\$6,089,000~~ \$7,835,000, of which  
17 not to exceed ~~\$1,722,000~~ \$1,835,000 shall be available for  
18 administrative and information expenses: *Provided*, That  
19 expenditures from this appropriation may be made outside  
20 continental United States when necessary to carry out its  
21 purposes, without regard to sections 355 and 3648, Revised  
22 Statutes, as amended, section 4774 (d) of title 10, United  
23 States Code, civil service or classified laws, or provisions  
24 of law prohibiting payment of any person not a citizen of  
25 the United States: *Provided further*, That funds appropriated



1 hereunder may be used, insofar as practicable, and under such  
2 rules and regulations as may be prescribed by the Secretary  
3 of the Army to pay ocean transportation charges from United  
4 States ports, including territorial ports, to ports in the  
5 Ryukyus for the movement of supplies donated to, or pur-  
6 chased by, United States voluntary nonprofit relief agencies  
7 registered with and recommended by the Advisory Com-  
8 mittee on Voluntary Foreign Aid or of relief packages con-  
9 signed to individuals residing in such areas: *Provided fur-*  
10 *ther*, That the President may transfer to any other depart-  
11 ment or agency any function or functions provided for under  
12 this appropriation, and there shall be transferred to any such  
13 department or agency without reimbursement and without  
14 regard to the appropriation from which procured, such prop-  
15 erty as the Director of the Bureau of the Budget shall deter-  
16 mine to relate primarily to any function or functions so  
17 transferred.

18 TITLE III—EXPORT-IMPORT BANK OF

19 WASHINGTON

20 The Export-Import Bank of Washington is hereby  
21 authorized to make such expenditures within the limits of  
22 funds and borrowing authority available to such corporation,  
23 and in accord with law, and to make such contracts and com-  
24 mitments without regard to fiscal year limitations as pro-

1 vided by section 104 of the Government Corporation Control  
2 Act, as amended, as may be necessary in carrying out the  
3 programs set forth in the budget for the current fiscal year  
4 for such corporation, except as hereinafter provided:

5           ~~LIMITATION ON OPERATING EXPENSES~~

6       Not to exceed ~~\$1,170,000,000~~ (of which not to exceed  
7 \$600,000,000 shall be for development loans) shall be  
8 obligated during the current fiscal year for other than  
9 administrative expenses.

10           LIMITATION ON ADMINISTRATIVE EXPENSES

11       Not to exceed \$3,010,000 (to be computed on an  
12 accrual basis) shall be available during the current fiscal  
13 year for administrative expenses, including services as au-  
14 thorized by section 15 of the Act of August 2, 1946 (5  
15 U.S.C. 55a) at rates not to exceed \$75 per diem for individ-  
16 uals, and not to exceed \$9,000 for entertainment allowances  
17 for members of the Board of Directors; and, in addition, not  
18 to exceed the equivalent of \$200,000 of the aggregate amount  
19 of foreign currencies made available to the Export-Import  
20 Bank for loans pursuant to the Agricultural Trade Devel-  
21 opment and Assistance Act of 1954, as amended, shall be  
22 available during the current fiscal year for expenses incurred  
23 by the Export-Import Bank incident to such loans: *Pro-*



1 *vided*, That (1) fees or dues to international organizations  
2 of credit institutions engaged in financing foreign trade, (2)  
3 necessary expenses (including special services performed on  
4 a contract or fee basis, but not including other personal  
5 services) in connection with the acquisition, operation, main-  
6 tenance, improvement, or disposition of any real or personal  
7 property belonging to the Bank or in which it has an inter-  
8 est, including expenses of collections of pledged collateral,  
9 or the investigation or appraisal of any property in respect  
10 to which an application for a loan has been made, and (3)  
11 expenses (other than internal expenses of the Bank) incurred  
12 in connection with the issuance and servicing of guarantees,  
13 insurance, and reinsurance shall be considered as nonad-  
14 ministrative expenses for the purposes hereof.

#### 15 TITLE IV—TREASURY DEPARTMENT

##### 16 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

17 For payment of subscriptions to the Inter-American De-  
18 velopment Bank, to remain available until expended, \$110,-  
19 000,000 of which \$60,000,000 is for the second installment  
20 on paid-in capital stock and \$50,000,000 is for payment of  
21 the second installment of the subscription of the United States  
22 to the fund for special operations.

1 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT  
2 ASSOCIATION

3 For payment of the second installment of the subscrip-  
4 tion of the United States to the International Development  
5 Association, \$61,656,000, to remain available until  
6 expended.

7 TITLE V—PEACE CORPS

8 FUNDS APPROPRIATED TO THE PRESIDENT

9 *For expenses necessary to enable the President to carry*  
10 *out the provisions of the Peace Corps Act, including pur-*  
11 *chase of not to exceed sixteen passenger motor vehicles for*  
12 *use outside the United States, in addition to those otherwise*  
13 *authorized, \$40,000,000: Provided, That this paragraph*  
14 *shall be effective only upon enactment into law of S. 2000*  
15 *or H.R. 7500, Eighty-seventh Congress, or similar legis-*  
16 *lation to provide for a Peace Corps.*

17 TITLE VI—GENERAL PROVISIONS

18 SEC. 601. No part of any appropriation contained in this  
19 Act shall be used for publicity or propaganda purposes  
20 within the United States not heretofore authorized by the  
21 Congress.

22 SEC. 602. None of the funds herein appropriated shall  
23 be used for expenses of the Inspector General, Foreign As-



1 sistance, after the expiration of the thirty-five day period  
2 which begins on the date the General Accounting Office or  
3 any committee of the Congress, or any duly authorized sub-  
4 committee thereof, charged with considering foreign assist-  
5 ance legislation, appropriations, or expenditures, has deliv-  
6 ered to the office of the Inspector General, Foreign Assist-  
7 ance, a written request that it be furnished any document,  
8 paper, communication, audit, review, finding, recommenda-  
9 tion, report, or other material in the custody or control of the  
10 Inspector General, Foreign Assistance, relating to any re-  
11 view, inspection, or audit arranged for, directed, or con-  
12 ducted by him, unless and until there has been furnished to  
13 the General Accounting Office or to such committee or sub-  
14 committee, as the case may be, (A) the document, paper,  
15 communication, audit, review, finding, recommendation, re-  
16 port, or other material so requested or (B) a certification by  
17 the President that he has forbidden the furnishing thereof  
18 pursuant to such request and his reason for so doing.

19       *SEC. 603. The appropriations and authority with re-*  
20 *spect thereto in this Act shall be available from July 1, 1961,*  
21 *for the purposes provided in such appropriations and au-*  
22 *thority. All obligations incurred during the period between*  
23 *June 30, 1961, and the date of enactment of this Act in*

1 *anticipation of such appropriations and authority are hereby*  
2 *ratified and confirmed if in accordance with the terms thereof.*

3 SEC. ~~603~~ 604. This Act may be cited as the "Foreign  
4 Assistance and Related Agencies Appropriation Act, 1962".

Passed the House of Representatives September 5, 1961.

Attest:

RALPH R. ROBERTS,

*Clerk.*





87TH CONGRESS  
1ST SESSION

**H. R. 9033**

[Report No. 991]

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# **AN ACT**

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Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

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SEPTEMBER 6, 1961

Read twice and referred to the Committee on Appropriations

SEPTEMBER 13, 1961

Reported with amendments









different trades that would otherwise be naturally competitive "unless each conference retains the right of independent action." pp. 18230-5  
By Sen. Kefauver, 33 to 45, which would have provided that the Commission could not approve agreements which were reasonably likely to cause the elimination or prevent the entry of a carrier into the trade, or if its probable effect would be likely to exclude any carrier from any trade. pp. 18235-47

13. RIVER BASINS. The Interior and Insular Affairs Committee reported with an additional amendment H. J. Res. 225, to grant the consent of Congress to the Delaware River Basin Compact (S. Rept. 1032)(this bill was previously reported by the Judiciary Committee on Aug. 31). p. 18207
14. WHEAT. Sen. Mansfield inserted his letter (for himself and other Senators) to Secretary Freeman urging the "Department develop... recommendations for a comprehensive, long-range wheat program embodying the principles of the bushel program, in sufficient time to submit your recommendations to the Congress by January 1962," and the Secretary's reply stating that he had appointed a wheat and feed grain committee to study various alternative proposals for dealing with wheat and feed grains. pp. 18211-2
15. FOREIGN TRADE. Agreed to the House amendments to S. 2325, to permit the Export-Import Bank to issue guarantees and insurance where private enterprise will not issue them. This bill will now be sent to the President. p. 18254
16. MILITARY CONSTRUCTION APPROPRIATION BILL, 1962. Disagreed to a House amendment to a Senate amendment to this bill, H. R. 8302. Further conferees were appointed. pp. 18255-9
17. PERSONNEL. As reported (see Digest 157), S. 188, the 30-year retirement bill, provides that an employee may retire optionally with full annuity at age 55 with 30 years or more of service (existing law requires a reduction of 1 percent per year for each year under 60 of annuities of employees retiring optionally after reaching age 55 with 30 years or more of service).
18. D. C. APPROPRIATION BILL, 1962. Passed as reported this bill, H. R. 8072. Conferees were appointed. pp. 18260, 18265-7
19. FOREIGN AID APPROPRIATION BILL, 1962. This bill, H. R. 9033, was made the unfinished business. p. 18291
20. FOOD FOR PEACE. Sen. Neuberger discussed agricultural production in underdeveloped nations and the importance of the Food for Peace program in providing the peoples of these nations with an adequate diet. pp. 18295-6
21. EDUCATION. Sen. Humphrey reviewed and discussed the history of Federal aid to education in the U. S., including the land-grant colleges, and inserted several items on this subject. pp. 18296-306
22. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the foreign aid appropriation bill will be considered Fri., and Sat. debate will begin on a measure to change the Senate Rules regarding cloture. p. 18261

#### ITEMS IN APPENDIX

23. FARM PROGRAM. Extension of remarks of Sen. Hartke inserting an article, "Freedom to Farm," reviewing Ezra Taft Benson's book. p. A7242

24. CONSERVATION. Extension of remarks of Sen. Wiley commending and inserting an article by Interior Secretary Udall, "Plea for a Green Legacy." pp. A7242-3
25. FOREIGN TRADE. Extension of remarks of Rep. Daniels inserting an address by Rep. Dent, "Imports and Our Economy--The Relationship Between Aid and Trade." pp. A7246-8
26. PESTICIDES. Extension of remarks of Rep. Dingell inserting an article, "Pesticides Are Good Friends, But Can Be Dangerous Enemies If Used By Zealots," and stating that the editorial is a "warning of clear and present danger in the overuse, or careless use, of pesticides." pp. A7260-1
27. FOOD FOR PEACE. Extension of remarks of Rep. Multer inserting an article published by the National Farmers Union, "Food for Peace," and stating that "its message is the most human of all: technological advances in agriculture have now--for the first time in history--made it possible to feed adequately the whole of the vast multitudes of the world." pp. A7265-6
28. MILK SANITATION. Extension of remarks of Rep. Kastenmeier inserting an article, "Dairy Farmers In State Get Boost From Freeman," which reviews the progress that has been made on national milk sanitation legislation. pp. A7267-8
29. RESEARCH; FARM TENANCY. Extension of remarks of Rep. Nygaard discussing a new program of agricultural law research being carried on by the Univ. of North Dakota, the first study being a survey of laws affecting farm tenancy in N. Dak. p. A7268

#### BILLS INTRODUCED

30. MONOPOLIES. S. 2552, by Sen Sparkman, to amend the Federal Trade Commission Act to provide for the issuance of temporary cease and desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Commerce Committee. Remarks of author. pp. 18207-8
31. RECREATION. S. Con. Res. 48, by Sen. Metcalf, to express sense of Congress on making studies to identify remaining shoreline recreation sites along the rivers of the United States, which was referred to the Interior and Insular Affairs Committee. Remarks of author. pp. 18208-9
32. FORESTRY. H. R. 9219, by Rep. McMillan, and H. R. 9220, by Rep. May, to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research; to the Agriculture Committee.
33. PERSONNEL. H. R. 9223, by Rep. St. Germain, to provide for recognition of Federal employee unions and to provide procedures for the adjustment of grievances to the Post Office and Civil Service Committee.
34. PROPERTY. H. R. 9226, by Rep. Smith of Iowa, to amend the Federal Property and Administrative Services Act of 1949 with respect to the procurement of property and services; to the Government Operations Committee.

#### PRINTED HEARINGS RECEIVED IN THIS OFFICE

35. TOBACCO. H. R. 1022, lease and transfer of tobacco acreage allotments. House Agriculture Committee.



I urge the Senate to retain the bill as it is, and not to accept the amendment offered by the Senator from New York.

I do not think there has been any charge in the past that the large contributors have attempted to unduly influence elections.

Mr. KEATING. Mr. President, I have often heard the charge to which my colleague has referred. I have heard the charge made that large contributors attempt to influence elections.

I am very glad to have the Senator make this statement. I wish he would make it a part of the policy of the Democratic National Committee, so that it would never again be said that large contributors have attempted to unduly influence an election.

I do not mean to imply anything to the contrary, but I rise with some feeling of astonishment that my colleague from Nevada would hold that it has never even been alleged that large contributors have unduly influenced elections.

I have nothing but a warm spot, as have all Members of this body, for large contributors. I am sure none of us wishes to alienate them from his affections, but I think it would be the better part of wisdom, in passing a so-called clean elections bill, to make some provision in this regard.

I would have no serious objection if it were felt that even \$20,000 is too low, though we provided \$10,000 last year. I am flexible as to the amount. I do not think we shall be able to say we have done a thorough job unless we adopt some provision of this kind.

I ask unanimous consent to include in the RECORD at this point the one-page statement of my individual views with reference to the proposed legislation.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

#### INDIVIDUAL VIEWS OF MR. KEATING

I am pleased that the Committee on Rules and Administration has again reported a clean elections bill. This bill contains several important features which would greatly strengthen our electoral system. S. 2426 places realistic ceilings on campaign expenditures, makes campaign financing information available at the State level, and authorizes a tax credit to encourage broader participation in political campaigns. Although I enthusiastically endorse these important innovations, I differ with the committee on two points. They affect—not what the bill does—but what it does not do.

First, I regret that this bill excludes from coverage primaries, conventions, and caucuses for the purpose of nominating candidates for Federal office. In many States, victory in a primary is tantamount to election. I do not mean to imply that there are more or greater irregularities in primaries. However, I believe that a free system of government depends greatly upon full access to information and public vigilance in the political process. These are the aims of the clean elections bill. We would be sorely remiss if we did not apply them across the board.

The Supreme Court in 1941 cleared the way for Federal regulation of primaries in the case of *United States v. Classic* (313 U.S. 299).

Second, I favor an overall limit on the amount which can be contributed by any one individual to the campaigns of candidates for Federal office. While this limit

should not prevent or restrict active participation in the electoral process, it is widely agreed that we must set a maximum limit, beyond which a contributor would be likely to have an undue and excessive influence over a successful candidate for office. I believe a limit of \$15,000 (or perhaps \$20,000) would serve this purpose. Last year the Senate adopted \$10,000, but it must be remembered that the other body did not act on this measure.

These two areas involve changes which, I believe, would greatly improve the bill reported by our committee. I signed the committee report and cosponsored the bill introduced for the committee by Senator CANNON, the distinguished chairman of the Subcommittee on Privileges and Elections. Nevertheless, I reserve the right to go beyond the provisions of this measure in offering and supporting amendments on the floor of the Senate.

KENNETH B. KEATING.

Mr. KEATING. I commend the chairman of the subcommittee. He has done a fine job. He has worked assiduously and diligently. He was kind enough not to call attention to the fact that the junior Senator from New York did not attend the hearings and meetings as diligently as he did. No one on the subcommittee worked as hard as did the Senator from Nevada.

There is much good in the bill, but I think we can improve it.

Mr. LONG of Missouri. Mr. President, to keep the RECORD clear on this side of the aisle, I wish to make some comment about large contributions. Some regard with a faint suspicion any dedicated individual who consistently donates \$20,000 or more. There is still some little remnant of such a view on this side of the aisle.

Mr. CANNON. Mr. President, I thank the distinguished Senator from New York for his kind remarks with reference to me and my actions in connection with the bill. I pay tribute to the fine members of the subcommittee and to the members of the Committee on Rules and Administration, who devoted much time and effort to provide a long-needed improvement in our election laws.

I wish to clarify one thing with the Senator from New York. I did not intend to leave the impression that no one has ever criticized large contributions. We on this side of the aisle may be a little envious at times when we observe the large contributions made to certain organizations, from supporting those on the other side of the aisle.

I referred specifically to the criticism with regard to undue influence by reason of the contributor contributing a large amount of money.

I know there is always the possible charge that a person or an organization having more money to spend can affect an election to a greater extent. In that sense, perhaps I should not say there has been no criticism. I was referring to the fact that merely because one of the 12 most wealthy families, or all of the 12 most wealthy families, gave a million dollars to the party to which I do not belong, I do not feel personally—and I think many others do not feel—that this means the families themselves were exerting undue influence. They were trying to carry out what they thought to

be their duty and their responsibility, as responsible families of our country.

I thank the distinguished Senator.

Mr. PELL. Mr. President, I join the other members of the Subcommittee on Privileges and Elections in commending the chairman of the subcommittee, the junior Senator from Nevada [Mr. CANNON] for his conscientious endeavors and the care he gave to the affairs of the subcommittee. I am proud to be a member of that subcommittee.

#### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1962

Mr. CANNON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 974, H.R. 9033.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the Senate proceeded to consider the bill (H.R. 9033) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

#### POPE JOHN'S PLEA FOR PEACE

Mr. PELL. Mr. President, my distinguished friend, the senior Senator from Minnesota [Mr. HUMPHREY] placed in the CONGRESSIONAL RECORD Tuesday an article from the New York Times pertaining to a message delivered by Pope John XXIII on September 10, 1961, calling for negotiations by the political leaders of all nations.

At this time, when suggestions that negotiations are necessary and that quid pro quos are going to have to be expected and given by both the Russians and the Americans, I think it is essential that the full text of the Pope's appeal for peace and for negotiations be available to and fully studied by all Members of the Congress.

I believe this is particularly important when the suggestion is sometimes made that negotiation means appeasement. Such is absolutely not the case, and Pope John is as well aware of this as is President Kennedy and, we trust, Premier Khrushchev.

I was particularly struck by Pope John's paragraph reading:

It is truly upon wise men that the issue depends: that force shall not prevail, but right; through free and sincere negotiations that truth and justice shall be vindicated by safeguarding the essential liberties and the insuppressible values of every nation and of every human person.

And I am equally struck by his statement that "everything is lost, and lost to



everyone, through war; nothing will be lost through peace."

Mr. President, recently I made a speech here on the floor of the Senate setting forth my proposals for negotiations over the present crisis in Berlin.

Since the words of Pope John XXIII discuss this question with deep wisdom and language far more articulate than mine, I ask unanimous consent that there be printed in the RECORD at this time the complete text of Pope John's statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TEXT OF POPE'S ADDRESS WARNING WORLD'S LEADERS ALL IS LOST BY WAR

CASTELGANDOLFO, ITALY, September 11.—Following is the text of an English translation of the address of His Holiness Pope John XXIII on Sunday, September 10, in which he appealed to the world's leaders to recognize that "everything is lost \* \* \* through war and nothing will be lost through peace":

"Venerable brethren, beloved sons: The Apostle Peter in his speech to those who were come together in the house of the Roman centurion Cornelius declares that all the nations of the earth without distinction are henceforth invited to consider the universal Fatherhood of God. And he sums up this heavenly doctrine in the message of peace: 'Preaching peace through Jesus Christ' (Acts 10: 36).

"This same message is the very pulsation of our heart, the heart of a father and of a bishop of the holy church. It comes more eagerly to our lips whenever the clouds seem to gather darkly on the horizon.

"We have before us the memory of the popes who most closely preceded us, whose outspoken manifestations of solicitude and anxious appeals have passed into history.

"From the exhortation of Pius X when the first European conflagration was imminent—a few days before his saintly death—to the encyclical of Benedict XV, 'pacem, Dei munus pulcherrimum'—peace, the most beautiful gift of God, 1920; from the warning call of Pius XI, which looked to true peace 'not as written into treaties but rather as sealed in the hearts of men' (Infinita Dei of May 29, 1924); to that fervent last appeal of Pius XII on August 24, 1939—'It is by the power of sound reason, not by force of arms, that justice makes its way'—we have a whole series of pleadings—sometimes deeply sorrowful and moving but always paternal—calling upon the whole world to guard against the danger while there is yet time, and assuring the nations that whereas everything is lost, and lost to everyone, through war, nothing will be lost through peace.

"We make this appeal our own, extending it once more to those who bear on their conscience the gravest weight of public and acknowledged responsibilities. The church by her very nature cannot remain indifferent to human suffering, even were it no more than anxiety and anguish. And this is the reason why we call upon the rulers of nations to face squarely the tremendous responsibilities they bear before the tribunal of history, and what is more before the judgment seat of God, and we entreat them not to fall victims to false and deceiving provocations.

"It is truly upon wise men that the issue depends: that force shall not prevail, but right; through free and sincere negotiations that truth and justice shall be vindicated by safeguarding the essential liberties and the insuppressible values of every nation and of every human person.

"Though we are far from exaggerating the importance of what has, up to now, only the appearance—but we must say the too irresponsible and tragically deplorable appearance—of a threat of war, as reported in the sources of daily public information, it is quite natural that we should make our own the anxious solicitude of our predecessors and present it as a sacred warning to all our children, as we feel it our right and our duty to call them, to all who believe in God and in His Christ, and even to unbelievers, since all men belong to God and to Christ by right of origin and of redemption.

"Those two pillars of the Church, Saint Peter and Saint Paul, give us the warning.

"The former does this in his affirmation, several times repeated, of peace in Christ the Son of God and the latter, the Doctor of the Gentiles, in a very detailed indication of counsels and instructions which are for that matter timely and appropriate for all who hold or will hold any post of responsibility in the course of human generation.

"I have no more to say, brethren, except this: Draw your strength from the Lord, from that mastery which His power supplies it is not against flesh and blood that we enter the lists. We have to do with principalities and power, with those who have mastery of the world in these dark days, with evil influences in an order higher than ours."

"Possessing the wisdom and the fullness of fatherhood as the humble successor of St. Peter and custodian of the deposit of faith—which remains always the great divine Book open to all men of all nations—and consequently also the keeper of Christ's Gospel, we deem it opportune to offer some personal concrete reflections on the present world situation insofar as it gives rise to uncertainty and fear.

"Following the counsel of St. Paul in regard to the attitude to be taken toward the evil spirits in an order higher than ours, we should note the interesting description he makes of the good fighter poised to meet the assault of his adversary: 'Stand fast, your loins girt with truth, the breastplate of justice fitted on, and your feet shod in readiness to publish the gospel of peace, the 'evangelium pacis.' With all this, take up the shield of faith, with which you will be able to quench all the fire-tipped arrows of your wicked enemy. Make the helmet of salvation your own, and the sword of the spirit, God's word.'

"All these are spiritual weapons described in figures of speech by means of which, beloved brethren and children, you can discern indications of what can be and what ought to be the attitude of a good Christian in the face of any event, at any time and under any circumstances. That which comes from the Evil One and from unbridled natural inclinations is a war of the spirit, continuous warfare—and always the hideous fire that can penetrate and destroy everything.

"Therefore, it is through the guidance of the apostle of the gentiles that we are led to the clearest and most solid foundation upon which must be based the attitude of the Christian spirit in the face of whatever providence may dispose or permit. Between two words, 'war' or 'peace,' are entwined the anguish and the hopes of the world, the anxieties and the joy of individual and social life.

"He who cannot forget the history of the more or less distant past, years filled with afflictions and now recorded in old books, and still has a vivid recollection of the bloodstained half century between 1914 and the present, and remembers the sufferings of our peoples and our lands—even if there were peaceful interludes between one tribulation and the next—trembles at the thought of what could happen to each one of us and to the whole world. Every war brings upheaval and destruction to persons,

regions and the entire world. What could happen especially now with the frightful effects of new weapons of destruction and ruin which human ingenuity continues to multiply to everyone's loss?

In our youth we were always deeply moved by that ancient cry of despair which, when the army of Charlemagne first appeared on the Alps, Desiderius, the King of the Lombards, gave out while rending his hair: 'The sword, alas, the sword.' What should be said of the modern implements of war derived from the secrets of nature and capable of unleashing unheard of energy to wreak havoc and destruction?

"By the mercy of God, We are persuaded that up until the present time there is no serious threat of either immediate or remote war. In making this reference of our Own to a subject that the press of all nations is discussing, We mean nothing more than to take still another opportunity of appealing with confidence to the serene and sure wisdom of all men who guide the nations of the world.

While it is true that at the end of his letter to the Ephesians, written in a prison in Rome where he was chained to a Roman soldier guarding him, the Apostle Paul was inspired by military weapons to teach Christians the arms necessary to defend themselves against, and to gain victory over, spiritual enemies, still it is not surprising that at the end of the list of weapons, he stresses prayer as the most effective of them all.

"Listen to his words: 'Galeam salutis adsumite et gladium spiritus, quod est verbum Dei per omnem orationem et obsecrationem orantes omni tempore in spiritu et in ipso vigilantes in omni instantia et obsecratione pro omnibus sanctis—Use every kind of prayer and supplication, pray at all times in the Holy Spirit; keep awake to that end with all perseverance; Offer your supplication for all the saints' (Epiphany 6: 18).

"With this earnest invitation the Doctor of the Gentiles brings us to the particular purpose of our being united here today in spirit in a gathering that a mere hint has been sufficient to bring about and which has resulted in a great uplifting of spirit toward order and peace. The children of the Catholic Church well know this aspiration and this invocation.

"In days of sorrow the worldwide prayer to Almighty God, Creator of the universe, to His Son Jesus Christ, made man for man's salvation, and to the Holy Spirit, Lord and lifegiver, has received from heaven and upon earth wonderful answers, which are recorded as happy and glorious pages in the history of mankind and of individual nations. We must open our hearts and empty them of the malice with which at times the spirit of error and evil seeks to infect them, and thus purified, we must lift them up confident of receiving heaven's blessing as also prosperity in the things of earth.

"Venerable brothers and beloved children, our simple and spontaneous meeting together in spirit today could well be—who knows?—the first of a series of assemblies of peace, not marred by pointless clamoring. But gladdened by a heartfelt sentiment of elevation and peace, an assurance of the tranquility and nobility of life in the happiness of Christian society, which is, in Christ, divine brotherhood and a foretaste of the joys of heaven.

"Reflect that the Catholic Church scattered throughout the world, today, alas, troubled and divided, is preparing for a universal gathering—the ecumenical council—which is aimed at the promotion of that true brotherhood of the nations which exalts Christ Jesus, the glorious and immortal King of Ages and of peoples, light of the world, and way, truth and life.

"This afternoon, during the Holy Sacrifice of the Mass, the blood of Jesus Christ









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
(For information only;  
should not be quoted  
or cited)

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Issued September 18, 1961  
For actions of Sept. 15 and 16, 1961  
87th-1st, Nos. 162 and 163

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**HIGHLIGHTS:** House passed supplemental appropriation bill. Senate passed foreign aid appropriation bill. House received conference report on Mexican farm labor bill. Rep. Landrum urged aid for poultry industry. Sen. Bennett criticized food distribution program. Senate passed Delaware River Basin compact bill. Sen. Talmadge introduced and discussed poultry bill. House agreed to conference report on Mexican farm labor bill. House concurred in Senate amendments to Delaware River Basin compact bill.

## SENATE - SEPT. 15

1. **FOREIGN AID APPROPRIATION BILL, 1962.** By a vote of 62 to 17, passed with amendments this bill, H. R. 9033 (pp. 18404-5, 18418-36, 18440, 18455-62). Conferees were appointed (p. 18461). Agreed to an amendment by Sen. Keating providing that in administering funds for the foreign aid program "great attention and consideration should be given to those nations which share the view of the United States on the world crisis (pp. 18419-22). Agreed to an amendment by Sen. Saltonstall providing that none of these funds (except for contributions to international organizations) shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource projects in foreign countries which is not based upon a computation of benefits and costs made in accordance with procedures of the Budget Bureau applicable to comparable U. S. projects (p. 18422). As passed the bill provides \$1,200 million for development loans, \$334 million for development grants, and \$40 million for the Peace Corps.

2. PEACE CORPS. Passed with amendment H. R. 7500, the Peace Corps bill, after substituting the language of similar bill, S. 2000. Conferees were appointed. p. 18477
3. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 2008, relating to the construction and operation of the Spokane Valley reclamation project (S. Rept. 1042). p. 18400  
Passed as reported S. 1060, to authorize the construction of the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Wash. pp. 18409-10
4. PUBLIC LANDS. Passed without amendment H. R. 6193, to authorize the Secretary of Agriculture to convey a tract of forest land in Wyoming to Fremont County. This bill will now be sent to the President. p. 18405  
Passed without amendment H. R. 3920, to authorize the exchange of a parcel of land at the Agricultural Research Center. This bill will now be sent to the President. p. 18405  
Passed without amendment H. R. 2280, to provide for the withdrawal of certain public lands 40 miles east of Fairbanks, Alaska, for use by the Department of the Army as a Nike range. This bill will now be sent to the President. p. 18407  
Passed without amendment H. R. 2281, to reserve for use by the Department of the Army at Fort Richardson, Alaska, certain public lands in the Campbell Creek area. This bill will now be sent to the President. p. 18407  
Passed over, at the request of Sen. Mansfield, H. R. 4682, to authorize the Secretary of Agriculture to sell and convey certain tracts of forest land in Iowa to the State. p. 18405
5. PERSONNEL. Passed without amendment H. R. 2555, to authorize pay to civilian employees of the U. S. in cases of emergency evacuations in overseas areas and to consolidate the law governing allotment and assignment of pay for such employees. This bill will now be sent to the President. pp. 18405-6  
Passed over, at the request of Sen. Mansfield, S. 188, the 30-year retirement bill. p. 18405
6. WATER RESOURCES. Passed with amendments H. J. Res. 225, to grant the consent of Congress to the Delaware River Basin compact, after substituting the language of a similar bill, S. 856, as passed earlier. Further consideration of S. 856 was indefinitely postponed. pp. 18483-99
7. ATOMIC ENERGY. Receded from the Senate amendment to H. R. 7576, to authorize appropriations for the Atomic Energy Commission. This bill will now be sent to the President. p. 18471
8. EDUCATIONAL EXCHANGES. Agreed to the conference report on H. R. 8666, to provide for continuation of the educational and cultural exchange program. pp. 18503-4
9. VIRGIN ISLANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 4750, to amend the Virgin Islands Corporation Act so as to increase the borrowing authority of the Corporation (S. Rept. 1065). p. 18522
10. PERSONNEL. As reported (see Digest 159), S. 1732, to increase the limitation on the number of supergrade and high-level scientific positions, includes provisions as follows:



Increases by 419 the number of positions in grades GS-18, GS-17, and GS-16 which will be available to the Civil Service Commission for distribution to the various departments and agencies, of which 100 are to be held in reserve for use only upon determination by the President of their initial need. Provides for an increase of 29 positions in GS-18, 102 in GS-17, and 188 in GS-16.

Increases by 259 the number of Public Law 313 positions (\$12,500 to \$19,000) the heads of departments and agencies are authorized to establish, including 3 (from 15 to 18) for this department, 3 (from 5 to 8) for Interior, 3 (from 10 to 13) for HEW, and 3 (from 25 to 29) for Commerce.

The Armed Services Committee reported with amendments H. R. 8765, to amend and clarify the reemployment provisions of the Universal Military Training and Services Act (S. Rept. 1070). p. 18522

EDUCATION. The Labor and Public Welfare Committee reported with amendments S. 1241, to authorize Federal assistance to institutions of higher education in financing the construction and improvement of facilities (S. Rept. 1072). p. 18522

MINERALS. Passed without amendment H. R. 2924, to repeal an act extending the time in which to file claims and institute adverse suits against certain mineral entries in Alaska. This bill will now be sent to the President. p. 18510

The Interior and Insular Affairs Committee submitted a supplemental report on S. 1747, to stabilize the mining of lead and zinc in the U. S. (S. Rept. 1073). p. 18522

FOOD DISTRIBUTION. Sen. Bennett referred to the "fantastic increase in the number of people getting free food from the Federal Government," stated that the "laxness of the agencies administering this program and the willingness of the administration to hand out commodities on a grandiose scale without regard to need, are a national disgrace," and inserted an article on this matter. pp. 18450-2

WHEAT. The names of Sens. Yarborough and Jackson were added as cosponsors of S. 2535, to amend the Agricultural Adjustment Act of 1938 so as to establish a marketing program for wheat. p. 18402

TRANSPORTATION. Sen. Morton was excused from serving as a conferee on H. R. 6775, to authorize dual rates for steamship conferences. p. 18402

FOOD AND DRUG. Received from GAO a report on the review of the enforcement and certification activities of the Food and Drug Administration. p. 18400

#### HOUSE - SEPT. 15

APPROPRIATIONS. By a vote of 218 to 15, passed with amendments H. R. 9169, the supplemental appropriation bill. On a point of order by Rep. Thomas, deleted from the bill \$168,000,000 for the Area Redevelopment Administration. pp. 18531-40

Conferees were appointed on H. R. 9033, the foreign aid appropriation bill. p. 18558

Conferees were appointed on H. R. 8302, the military construction appropriation bill. Senate conferees have already been appointed. p. 18573

Received the conference report on H. R. 8072, the D. C. appropriation bill (H. Rept. 1195). pp. 18592-3

Rep. Cannon inserted a table showing the status of all appropriation bills in this session of Congress. pp. 18573-5

18. FARM LABOR. Received the conference report on H. R. 2010, to extend the Mexican farm labor program (H. Rept. 1198) (pp. 18577-8). Earlier, by a vote of 243 to 135, agreed to send this bill to conference (pp. 18552-7).
19. CULTURAL EXCHANGE. Received the conference report on H. R. 8666, to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges (H. Rept. 1197). pp. 18558-63
20. FOREIGN TRADE. Passed as reported H. R. 8465, to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba. pp. 18527-31
21. SMALL BUSINESS. Agreed to the conference report on H. R. 8762, to amend the Small Business Act to increase the amount available for regular business loans thereunder (pp. 18546-8). This bill will now be sent to the President.
22. POSTAL RATES. Began debate on H. R. 7927, to adjust postal rates. pp. 18564-73
23. LANDS. Received from the Interior Department a proposed bill "to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants"; to Interior and Insular Affairs Committee. p. 18594
24. POULTRY. Rep. Landrum spoke in favor of poultry legislation and inserted a proposed amendment to Federal legislation. pp. 18575-7
25. LEGISLATIVE ACCOMPLISHMENTS. Rep. Albert inserted a statement, "Summation of Legislative Accomplishments." pp. 18586-7

HOUSE - SEPT. 16

26. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 8072, the D. C. appropriation bill, and acted on amendments in disagreement. This bill will now be sent to the President. pp. 18600-1, 18660-1
27. FARM LABOR. Agreed to the conference report on H. R. 2010, to extend the Mexican farm labor program. pp. 18601-7
28. CULTURAL EXCHANGE. Agreed to the conference report on H. R. 8666, to provide for the improvement and strengthening of the international relations of the U. S. by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges (pp. 18600-1). This bill will now be sent to the President.
29. PEACE CORPS. Rep. James C. Davis objected to sending H. R. 7500, to provide for a Peace Corps, to conference. p. 18607
30. COMPACTS. Agreed to the Senate amendments to H. J. Res. 225, to grant the consent of Congress to the Delaware River Basin compact and to enter into such compact on behalf of the U. S. This bill will now be sent to the President. pp. 18607-17
31. PERSONNEL. As reported (see Digest 159), H. R. 7377, to increase the limitation on the number of supergrade and high-level scientific positions, includes provisions as follows:



Believing that this article contributes to a better appreciation of the historical development of our Constitution, I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### THE MAKING OF THE CONSTITUTION

The story of the making of the Constitution has been told many times, but it cannot be told too often.

At 4 o'clock on the afternoon of Monday, September 17, 1787, the Constitutional Convention adjourned sine die, after 4 months of sessions lasting 5, 6, and 7 hours a day, 6 days a week, in the torrid Philadelphia summer. One State, Rhode Island, refused to send any delegates. Twelve States appointed a total of 74 delegates, but only 55 of these attended. It is a matter of pride to the legal profession that 23 of these were lawyers. Eight of delegates were signers of the Declaration of Independence, 39 had served in the Continental Congress, 7 had served as Governors of their States, and 21 had fought in the Revolution. One man, Roger Sherman, of Connecticut, was a signer of the Declaration, the Articles of Confederation, and the Constitution. Benjamin Franklin, then 81 years old, was the oldest delegate present, and Jonathan Dayton, of New Jersey, aged 26, the youngest. Of the 41 delegates who remained at the close of the session, only 38 signed.

The magnitude of the task these men accomplished can best be appreciated by consideration of the situation into which the country had drifted by the time the Convention was called.

Cornwallis had surrendered at Yorktown on October 19, 1781. The Articles of Confederation, prepared by a committee on July 12, 1776, did not go into effect until the last State, Maryland, signed them, March 1, 1781. Under these articles, the Congress was empowered to incur indebtedness, and call upon the States for their proportionate financial contributions, but it could not compel them to pay; it could make treaties, but it could not force the States to observe the provisions of the treaties. As a direct result of this impotence, troops went unpaid, and were so poorly fed, clothed, and equipped as to be unfit for duty. Each State had its own monetary system, some printing paper money without any gold reserve, so that Continental currency rapidly became worthless. Each State was collecting tariffs on merchandise coming in from other States, and from abroad. By 1783, conditions had become so chaotic that a band of unpaid soldiers started a riot at the State House in Philadelphia, where the Congress was in session. Congress asked the State of Pennsylvania for protection, but found the State militia refused to put down the riot. On June 9, 1783, Congress had to flee under cover of night, and hold its sessions at Princeton and New York. The peace treaty had not yet been signed.

It was impossible to borrow any more money. The States did not pay the funds they should have contributed. Movements were underway in some States to withdraw from the Union and form separate confederations, or return to colonial status. An attempt was made by the State of Virginia to call a convention at Annapolis in September of 1786 to consider the matter of trade, and establish commercial regulations, but only five States sent representatives. The Annapolis Convention adjourned after passing a resolution that the States appoint commissioners to meet May 14, 1787, in Philadelphia "to devise such further provisions as shall appear necessary to render the Constitution of the Federal Government adequate to the exigencies of the Union."

Virginia took the lead, appointing George Washington as the first delegate. The situation was so desperate that the Continental Congress also issued a call for the Convention, and delegates were appointed by all the States except Rhode Island.

Against this background the delegates began to assemble on May 14, 1787, but no quorum was present until May 25. Then George Washington was elected President of the Convention, and rules were adopted for the conduct of the meeting, including one providing strict secrecy—nothing said at the meeting was to be printed, published, or communicated without leave. Fortunately James Madison took voluminous notes of the proceedings, and each evening wrote out in full his notes. When he died, 50 years later, the last survivor of the delegates, his notes were published.

Again Virginia took the lead. Governor Edmund Randolph presented a plan calling for the establishment of a national government, which would have supreme executive, judicial, and legislative powers. Such a theory had been advanced in a book written by John Adams (not a delegate to the Convention) the previous year, which also called for two legislative Chambers. The popularity of the book is said to have been influential in obtaining agreement on this point.

Next came the problem of how the States should be represented. The wealthy States wanted representation according to the amount of tax paid to the Federal Government; the populous States wanted representation according to number of inhabitants; the slave States wanted to count the slaves as inhabitants; the Northern States wanted to count only free inhabitants. Finally, this question had to be put aside for later consideration. But the delegates did decide that the Members of the lower House should be elected by the people directly.

The establishment of the executive branch of the Government was agreed upon, after long discussion. Many favored a triumvirate for the head of the executive branch, since, as Randolph argued, a single Executive contained "the fetus of monarchy." The triumvirate would consist of one member from the North, one from the South, and one from the Middle States. A single Executive was finally chosen, but with powers far less than originally proposed.

Again and again the question of how the States should be represented had arisen, and been laid aside. But it had to be faced. The small States demanded equal representation in both Houses. The large States offered a variety of compromises, against which the small States remained adamant. At last it was agreed to recess to give a compromise committee time to work out a proposal. When sessions were resumed the committee proposed that the lower House should consist of one Representative for each 40,000 inhabitants, that in the upper House each State should have an equal vote, and that the power to originate appropriation bills should be limited to the lower House. Strong speeches in opposition to the proposal were made. Two of New York's three delegates left the meeting and did not return. A delegate warned that "if we do not come to some agreement among ourselves, some foreign sword will probably do the work for us." After 11 days of discussion, additional compromises provided that three-fifths of slave inhabitants should be counted in determining the representation, and that the slave trade should not be prohibited before 1808. Though tempers flared and debate was often heated, no delegate indulged in personal remarks, and none broke the secrecy rule.

The question of the judiciary was covered in 1 day. One Supreme Court was provided, with no provision for inferior Federal courts. Jurisdiction of the Court took in "cases passed by the General Legislature, and

such other questions as involve the national peace and harmony." The provision passed without dissent.

A committee of detail was then appointed to put in form the resolutions which had been adopted, and a 10-day recess was called to permit the committee to do its work.

When the Convention reconvened to consider the draft, it found some startling changes. The power and jurisdiction of the judiciary was vastly expanded; definite restrictions on the powers of the States were spelled out; powers granted to the Congress were specified, to include the laying and collection of taxes, and provisions for the common defense, for coining money, establishing post offices, the raising and supporting of armies and provision for a navy. A delegate moved that the army Congress could raise should be limited to 3,000 men in peacetime. General Washington, who was the presiding officer, and therefore could not participate in the debate, whispered that the motion should be amended to provide that "no foreign enemy should invade the United States at any time, with more than 3,000 troops." In the end, only the definite understanding that a bill of rights would later be adopted, which should spell out the powers reserved to the States, persuaded the delegates to agree to the broad delegation of power to the Federal Government.

One of the last matters debated was the manner of electing the President, the length of his term, and the establishment of the Office of Vice President. The last item provided the manner in which amendments should be made.

Three men refused to sign the completed Constitution—Edmund Randolph, who had opened the Convention with his 15 proposals, many of which had been adopted; George Mason, who said "he would sooner chop off his right hand than put it to the Constitution as it now stands"; and Elbridge Gerry.

After all of the States represented voted to agree to the Constitution, Dr. Franklin spoke. He said, "I confess that there are several parts of this Constitution which I do not at present approve, but I am not sure I shall never approve them. For, having lived long, I have experienced many instances of being obliged, by better information or fuller consideration, to change opinions, even on important subjects, which I once thought right, but found to be otherwise. In these sentiments, sir, I agree to this Constitution, with all its faults, if they are such; because I think a general government necessary for us, and there is no form of government, but what may be a blessing to the people if well administered; and believe further, that this is likely to be well administered for a course of years, and can only end in despotism, as other forms have done before it, when the people shall become so corrupted as to need despotic government, being incapable of any other."

#### CHANCELLOR KONRAD ADENAUER

Mr. HRUSKA. Mr. President, in recent days the attention of the world has once again been drawn to the blight of neutralism.

The meetings in Belgrade and the positions expressed there and later have been of great interest and of some concern to all who are active in the fight against the communistic powers.

Against that background, it is in order to recall one of the stalwart figures in the battle for alignment of free world nations against the encroachment of communism. It is well that we call attention to the splendid record Chancellor Konrad Adenauer of the Federal Republic of



Germany because all too often with the passage of time we are prone to overlook contributions of the character and degree which he has made.

The powerful, prosperous and confident nation which West Germany is today was accomplished under the aggressive and the sure leadership of the Chancellor. A great many factors went into the rebuilding of an economy and its physical plant to resurrect them from the shambles into which they were cast by the end of World War II.

From a state of virtually complete destruction only 15 years ago, to the present gross national production of over \$70 billion, the enviable position of its gold reserve and the spectacular increase in industrial production we find testimony to the leadership of an able, astute statesman of long-range vision and great sagacity.

The vast strides of Chancellor Adenauer's country and of Western Europe generally have been heavily and favorably affected by his championship of the Common Market.

Progress in this direction was not easy to achieve. It took courage and persistence. At times it involved some opposition within his own country, particularly with reference to relations with France. But he persevered and won out.

We note with approval also the strong role which West Germany has taken in its NATO membership and activities, which he so strongly favored from the outset.

All of these things which I have mentioned are gratifying to America because we witness in West Germany not only a strong and prosperous nation but also a firm ally. It is heartening to note the stability which it possesses and its declared sympathies and objectives affirmatively favoring the cause of the free world. We can well express once again our confidence in Chancellor Adenauer's leadership and loyalty.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

#### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATIONS, 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 974, House bill 9033, be laid down and be made the pending business.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which had been reported from the Committee on Appropriations, with amendments, on page 2, line 5, after "section 202(a)", to strike out "\$1,025,000,000" and insert "\$1,200,000,000".

On page 2, line 3, after "section 212", to strike out "including \$2,673,000 for ocean freight, \$1,139,000 for Atoms for Peace, and \$24,925,000 for the malaria

eradication program, \$259,000,000" and insert "\$334,000,000, to remain available until expended".

On page 2, after line 11, to insert:

Development grants, special authorization: For assistance authorized by section 214(b) for construction of the General Sikorski Trade School, Hyzna, Poland, \$100,000, to remain available until expended, to be used to purchase foreign currencies which the Department of the Treasury may determine to be excess to the normal requirements of the United States.

On page 2, after line 18, to insert:

Surveys of investment opportunities: For expenses authorized by section 232, \$3,000,000, to remain until expended.

On page 2, line 25, after "section 402", to strike out "\$400,000,000" and insert "\$425,000,000, and, in addition, for supporting assistance for Spain as authorized by section 402, \$25,000,000, all of which to remain available until expended".

On page 3, line 4, after "section 451(a)", to strike out "\$175,000,000" and insert "\$300,000,000".

On page 3, line 8, after the word "States", to insert "in addition to those otherwise authorized," and in line 9, to strike out "\$45,000,000" and insert "\$50,000,000".

On page 3, at the beginning of line 14, to strike out "\$24,000,000" and insert "\$25,000,000"; at the beginning of line 15, to insert "construction of United States-owned facilities in the District of Columbia or elsewhere for the training of foreign military personnel," and in line 19, after the word "States", to strike out "\$1,600,000,000" and insert "\$1,700,000,000 to remain available until expended: *Provided*, That to the extent that these funds have not been otherwise previously programed amounts equivalent to the value of orders issued pursuant to the special authority granted in section 510(a) shall be used to reimburse the appropriations financing the replacement of goods or services furnished pursuant to such orders."

At the top of page 4, to insert:

#### DEPARTMENT OF STATE

Administrative and other expenses: For expenses authorized by section 637(b) of the Foreign Assistance Act of 1961 and by section 305 of the Mutual Defense Assistance Control Act of 1951, as amended, \$6,000,000.

On page 4, line 6, after the word "balances", to strike out "(not to exceed \$50,000,000)", and in line 7, after the word "available", to strike out "for Military Assistance".

On page 7, after line 13, to insert a new section, as follows:

SEC. 110. Any obligation made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, that foreign procurement will not adversely affect the economy of the United States.

On page 8, line 11, after the word "exceed", to strike out "\$3,000" and in-

sert "\$4,000"; in line 16, after the word "appurtenances", to strike out "\$6,039,000" and insert "\$7,835,000", and in line 17, after the word "exceed", to strike out "\$1,722,000" and insert "\$1,835,000".

On page 10, after line 4, to strike out:

#### LIMITATION ON OPERATING EXPENSES

Not to exceed \$1,170,000,000 (of which not to exceed \$600,000,000 shall be for development loans) shall be obligated during the current fiscal year for other than administrative expenses.

On page 12, after line 6, to insert:

#### TITLE V—PEACE CORPS

##### Funds appropriated to the President

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act, including purchase of not to exceed sixteen passenger motor vehicles for use outside the United States, in addition to those otherwise authorized, \$40,000,000: *Provided*, That this paragraph shall be effective only upon enactment into law of S. 2000 or H.R. 7500, Eighty-seventh Congress, or similar legislation to provide for a Peace Corps.

On page 13, line 14, after the word "be", to insert "(A)", and in line 16, after the word "requested", to insert "or (B) a certification by the President that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing".

On page 13, after line 18, to insert a new section, as follows:

SEC. 603. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1961, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1961, and the date of enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

And, on page 14, line 3, to change the section number from "603" to "604".

The VICE PRESIDENT. The question is on agreeing to the first committee amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I request that the attachés on both sides notify Senators in their offices that the debate on the foreign aid appropriation bill is now underway, and it is our anticipation that we shall pass it shortly, unless they want to come to the floor and offer amendments or make remarks.

The VICE PRESIDENT. The Chair recognizes the Senator from Arizona [Mr. HAYDEN].

Mr. HAYDEN. Mr. President, the foreign assistance appropriation bill, which is now before the Senate, recommends appropriations in the amount of \$4,416 million. This is an increase of \$580 million, \$846,000 over the House bill. However, it is \$577,900,000 under the original budget estimate sent to the Congress by the President.



Most of this decrease under the budget estimate was made during the process of authorizing this program for the fiscal year 1962.

The largest single increase in the bill effected by the committee is for development loans, where the committee has restored \$175 million of the reduction made by the House, and has recommended the full \$1.2 billion the President has said was necessary for this program.

The committee also has restored \$125 million to the contingency fund and has recommended the amount of the authorization of \$300 million. This is still \$200 million under the amount which the administration requested and which was reduced by the authorizing bill.

For military assistance, the committee has recommended an appropriation of \$1.7 billion, \$100 million in excess of the House bill amount.

For the first time since it was organized in 1934, a limitation was placed in the bill in the House on the operating expenses of the Export-Import Bank. The committee felt, in view of the Bank's record of prudent management, that no limitation on its operating expenses was necessary at this time, and the limitation in question has been deleted.

The committee has recommended the full amount of \$40 million for the Peace Corps.

With reference to language in the bill, the House of Representatives inserted a provision relating to disclosure of documents. The House provision did not grant the administration a waiver from the penalties of the provision should the President certify the information should not be disclosed. Such a waiver has been in the law in the past, and the committee has restored it to the House bill.

The committee report enumerates in detail all the increases recommended by the committee.

Mr. President, I move that the committee amendments to the bill be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I wish to call up my amendment, designated "9-13-61-B."

In printing the Foreign Assistance Act of 1961, which was signed September 4, 1961, the short title of the act was omitted. This was a clerical mistake. The amendment which I have just called up will rectify this error. It will insert in the appropriation bill the short title language which was inadvertently omitted from the authorization act.

The VICE PRESIDENT. The amendment offered by the Senator from Arizona will be stated.

The CHIEF CLERK. It is proposed on page 11, after line 9, to insert the following:

SEC. 603. Public Law 87-195, approved September 4, 1961, is amended by inserting the following after the enacting clause: "That this Act may be cited as 'The Foreign Assistance Act of 1961'".

The VICE PRESIDENT. The question is on agreeing to the amendment. The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

#### CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of measures on the calendar to which there is no objection, beginning with Calendar No. 887.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The clerk will state the first measure.

#### CONVEYANCE OF CERTAIN LANDS IN THE STATE OF WYOMING

The bill (H.R. 6193) to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo., was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 904—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

H.R. 6193 would reconvey to Fremont County, Wyo., a lot (lot 5, block 14) located in Lander, Fremont County, Wyo., which on November 18, 1935, was donated to the United States but was never accepted by the Government. The county and its assignee have remained in possession of the land.

The unconsummated donation serves to cloud the county's title to the tract. An individual who bought this lot from the county several years ago is now unable to sell it to a prospective purchaser because of this defect in its title. Reconveyance to the county is necessary in order to clear the title.

The Department of Agriculture favors enactment of H.R. 6193.

#### BILL PASSED OVER

The bill (H.R. 4682) to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa, was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The bill (H.R. 3879) to authorize and direct the Secretary of Agriculture to convey to the State of Wyoming for agricultural purposes certain real property in Sweetwater County, Wyo., was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

#### EXCHANGE OF LAND AT THE AGRICULTURAL RESEARCH CENTER

The bill (H.R. 3920) to authorize an exchange of land at the Agricultural Research Center was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 907—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill would authorize the Secretary of Agriculture to convey by quitclaim deed to Fred C. Knauer a parcel of land containing about 1.66 acres in exchange for a tract of land containing 0.6345 acres. The bill provides that the appraised value of the Federal property to be transferred shall not exceed the value of the property to be acquired.

The Department of Agriculture favors the bill.

#### BILLS PASSED OVER

Mr. MANSFIELD. Mr. President, I ask that Calendar No. 891 and Calendar No. 892 be passed over.

The VICE PRESIDENT. The bills will be passed over.

The bills passed over are as follows:

S. 2520. A bill to amend the Welfare and Pension Plans and Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes.

S. 188. A bill to grant civil service employees retirement after 30 years service.

#### PAY OF EMPLOYEES IN CASE OF EMERGENCY EVACUATION

The bill (H.R. 2555) to authorize pay with respect to civilian employees of the United States in cases of emergency evacuations to consolidate the law governing allotment and assignment of pay by such employees, and for other purposes, was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 910—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The main objective of this measure is to authorize the establishment of an orderly and reasonable procedure for the payment of compensation and allowances of civilian employees when official orders have been issued for their emergency evacuation from their official duty stations. To this end, the



legislation consolidates several existing laws and provides one standard provision applicable to all employees of the Government.

#### STATEMENT

Small numbers of our employees in various parts of the world have been subject to emergency evacuation in the past and doubtlessly similar situations will arise in the future. These instances have pointed up the fact that no uniform policy or procedure exists with respect to the payment of salary and allowances to employees forced to leave their duty stations for safety or political reasons. This legislation is designed to provide necessary authority to develop appropriate policy and procedures for future use in the event emergency evacuations again are necessary in any part of the world where the United States has employees assigned to duty.

The bill requires that the President, with respect to the executive branch, shall promulgate regulations to carry out the objectives of the legislation.

#### COST

Enactment of this measure will not result in additional costs since all payments authorized by its terms are subject to adjustment later. Administrative costs will not be significant as the regulations relating to the measure will become a part of each agency's operating manual.

#### BILLS AND RESOLUTIONS PASSED OVER

The bill (S. 310) for the relief of Annie Tymochek Porayko, was announced as next in order.

Mr. MANSFIELD. Mr. President, I ask that Calendars Nos. 894 through 942 be passed over and that the call of the calendar continue in sequence beginning with Calendar No. 943.

The VICE PRESIDENT. The bills will be passed over.

The measures passed over are as follows:

S. 310. A bill for the relief of Annie Tymochek Porayko.

S. 899. A bill for the relief of Liu Shui Chen.

S. 1793. A bill for the relief of Mrs. Alfia Alessandro Milana.

S. 1947. A bill for the relief of Annemarie Herrmann.

S. 2291. A bill for the relief of Paul James Branan.

H.R. 1325. An act for the relief of Mrs. Seto-Yiu Kwel.

H.R. 1369. An act for the relief of Zsuzsanna Reisz.

H.R. 1394. An act for the relief of Laszlo Hamori.

H.R. 1399. An act for the relief of Mrs. Josefa Pidlaon and daughter, Annabelle Pidlaon.

H.R. 1422. An act for the relief of Mrs. Agavni Yazicioglu.

H.R. 1459. An act for the relief of En2c. Hideo Chuman, U.S. Navy.

H.R. 1496. An act for the relief of Aloysius van de Velde.

H.R. 1532. An act for the relief of Jeanine Ruth Tabacnik.

H.R. 1550. An act for the relief of Jesus Garza Lopez.

H.R. 1551. An act for the relief of Kini-Ok Yun.

H.R. 1569. An act for the relief of Isel Sakioka.

H.R. 1581. An act for the relief of Maria Falato Colacicco.

H.R. 1593. An act for the relief of Mrs. Chang-Huang Tang Kao.

H.R. 1614. An act for the relief of Byron T. Efthimiadis.

H.R. 1630. An act for the relief of Carma Pereira de Bustellos.

H.R. 1646. An act for the relief of Josephine Smith.

H.R. 1714. An act for the relief of Nicholas J. Katsaros.

H.R. 1898. An act for the relief of Isabel Brown.

H.R. 1901. An act for the relief of Georgia J. Makris.

H.R. 2136. An act for the relief of Hajime Misaka.

H.R. 2145. An act for the relief of Joginder Singh Toor.

H.R. 2655. An act for the relief of Mrs. Pamela Gough Walker.

H.R. 2822. An act for the relief of Gregoire A. Kublin.

H.R. 3133. An act for the relief of Mrs. Maria A. Schmoldt.

H.R. 3393. An act for the relief of Istvan Zsoldos.

H.R. 3404. An act for the relief of Elemer Christian Sarkozy.

H.R. 3718. An act for the relief of Matthias Nock, Jr.

H.R. 4221. An act for the relief of Sylvia Abrams Abramowitz.

H.R. 4384. An act for the relief of Richard Fordham.

H.R. 4499. An act for the relief of Mrs. Margaret Ruda Daniel.

H.R. 4553. An act for the relief of Zbigniew Ryba.

H.R. 5136. An act for the relief of Compton Jones and Hulbert Jones.

H.R. 5138. An act for the relief of Francisco Joaquim Alves.

H.R. 5141. An act for the relief of Vito Recchia.

H.R. 5735. An act for the relief of Steven Mark Hallinan.

H.R. 6158. An act for the relief of Adolphe C. Verheyn.

S. 1560. A bill for the relief of Yasuko Otsu.

S. 2012. A bill for the relief of Mrs. Moy York Che.

S. 2163. A bill for the relief of Saifook Chan.

H.J. Res. 453. Joint resolution relating to deportation of certain aliens.

S. 1076. An act for the relief of Nancy E. Williamson.

S. 1439. A bill for the relief of Sylvia Freda Karro and her minor children, Allan, Karro, Jennifer Karro, and Michelle Karro.

S. 1685. A bill for the relief of Brigitte Marie Kroll.

S. 2337. A bill for the relief of Athanisia G. Koumoutsou.

#### PRINTING OF COPIES OF "CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES"

The joint resolution (H.J. Res. 558) providing for printing copies of "Cannon's Procedure in the House of Representatives," was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 960—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This joint resolution would authorize the printing and binding for the use of the House of Representatives of 1,500 copies of "Cannon's Procedure in the House of Representatives," by the Honorable CLARENCE CANNON, to be printed under the supervision of the author and to be distributed to the Members of the House by the Speaker. Section 2 of the joint resolution reserves the right of copyright to the author.

Printing cost estimate, \$9,213.

#### PRINTING OF ADDITIONAL COPIES OF HOUSE DOCUMENT NO. 412, 85TH CONGRESS

The concurrent resolution (H. Con. Res. 12) authorizing the printing of additional copies of House Document No. 412, 85th Congress, was considered and agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 961—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This concurrent resolution would authorize the printing for the use of the House of Representatives of 500,000 copies of a revised edition of "The Capitol—A Pictorial Story of the Capitol in General and the House of Representatives in Particular" (H. Doc. 412, 85th Cong., 2d sess.).

Printing cost estimate, \$90,500.

#### PRINTING AS HOUSE DOCUMENT PUBLICATION "WORLD COMMUNIST MOVEMENT—SELECTIVE CHRONOLOGY 1818-1957, VOLUME 1"

The concurrent resolution (H. Con. Res. 364) to print as a House document the publication "World Communist Movement—Selective Chronology 1818-1957, Volume 1," and to provide for the printing of additional copies, was considered and agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 962—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This concurrent resolution would provide that the publication entitled "World Communist Movement—Selective Chronology 1818-1957, Volume 1," released by the House Committee on Un-American Activities during the 86th Congress, 2d session, be printed as a House document; and that there be printed for the use of said committee 15,000 additional copies of said document.

Printing cost estimate, \$4,229.28.

#### PRINTING OF ADDITIONAL COPIES OF REPORT "COMMUNIST TARGET: YOUTH—COMMUNIST INFILTRATION AND AGITATION TACTICS"

The concurrent resolution (H. Con. Res. 384) authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics" was considered and agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 963—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the concurrent



American goods, and reduce jobs and wages for American workers, and would substantially reduce revenues to the U.S. Treasury.

Third. A retrenchment in private investment abroad would conflict dangerously with our foreign policy objective of strengthening the free world economy to better withstand the blandishments of communism.

And finally, discrimination against investment in advanced areas would seriously impede American participation in the potential benefits of European economic integration.

In short, Mr. President, these proposals misconstrue the world we are living in, and they must be rejected.

### INCREASE IN POSTAL RATES

Mr. ROBERTSON. Mr. President, tomorrow debate will start on a proposal to limit debate in the Senate by less than a two-thirds majority of those present and voting. Today we have an illustration of what the Founding Fathers intended the Senate to be—a brake upon hasty and perhaps ill-advised legislation on the part of the House.

Last April the Postmaster General recommended a postal rate increase bill to produce approximately \$741 million against the anticipated postal deficit of nearly \$1 billion. When the Postmaster General testified, this year, on the appropriation bill, he said only \$63 million could be charged against public service. Now before the House, under a rule that not only limits debate but prohibits any amendment, is a recommendation that rates for first class mail, which is now self-supporting, be increased 25 percent, which would result in an increase in revenue of approximately \$409 million, but that second class mail, which is now paying only 23 percent of its allocated cost—causing a deficit of \$344.2 million—be given a small, inconsequential increase. Third class mail—causing a deficit of \$251.9 million—would be given an increase, but not too large a one.

I ask unanimous consent to have printed in the RECORD at this point a statement showing what the Postmaster General recommended in April with relation to the bill that will be brought up under a gag rule in the House; a bill, which is in my opinion unfair and hopelessly inadequate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### POSTAL RATE LEGISLATIVE BACKGROUND

##### ADMINISTRATION BILL: H.R. 6418, S. 1821.

1. On April 14, 1961, Mr. Day recommended to Congress a legislative program calling for an increase of \$741 million in postal rates to bridge the gap between anticipated postal income and outgo in fiscal 1962.

The \$741 million would be made up as follows: First class rate increase would produce \$409 million; airmail increase would produce \$14 million; second-class rate increase would produce \$78 million; third-class rate increase would produce \$212 million; miscellaneous specialized increases would add \$28 million.

In connection with rate boosts for magazines, newspapers, advertising circulars and small parcels, Mr. Day noted, "These proposals, developed by the previous adminis-

tration, attempt to reach an equitable balance in postal rates by calling on large advertising mailers and the publishing industry to carry their share of the load."

Under current rates first-class pays approximately 99.7 percent of its way—loses \$3.9 million. Airmail pays 106.3 percent for a profit of \$10.6 million. Second-class pays approximately 23 percent of its way—loses \$344.2 million. Controlled circulation pays 67 percent of its way—loses \$3.7 million. Third-class pays approximately 67.4 percent of its way—loses \$251.9 million.

The postal deficit of \$906 million would be eliminated thus:

|                                 | Million |
|---------------------------------|---------|
| Rate increases.....             | \$741   |
| Payment for public service..... | 63      |
| Administrative trimming.....    | 102     |
| Total.....                      | 906     |

##### THE HENDERSON BILL: H.R. 7927, S. 2382

2. On July 1, 1961, Mr. Day placed his stamp of approval on a modified bill calling for an increase in postal rates totaling \$590 million. A principal feature of the bill, described by Mr. Day as "most acceptable," is its definition of public service costs borne by the Department and its clarification of means of establishing the annual figure. The new measure would change the procedures by which this cost is determined. Under the terms of this bill the responsibility for determining the cost of these public services each year would be left to the Postmaster General. Mr. Day estimated these costs would be \$235 million for fiscal year 1962 defining "total loss" as the difference between the Department's income and expenditures stemming from the performance of public services.

H.R. 7927 left unchanged the request in first class and airmail; that is, \$423 million as recommended in the administration bill, but revised downward the proposals for increases in other classes of mail as follows:

|                | Revenue produced | Million |
|----------------|------------------|---------|
| 1st class..... |                  | \$423   |
| 2d class.....  |                  | 45.7    |
| 3d class.....  |                  | 103.6   |
| Other.....     |                  | 18      |

##### H.R. 7927 AS REPORTED BY HOUSE, SEPTEMBER 7, 1961

3. The revenue to be derived from this measure is estimated at \$521 million a year when all rates are in effect.

The \$423 million boost in first-class rates is the amount sought by the administration in its original \$741 million package and its later \$590 million compromise. The breakdown of additional revenue by classes of mail is as follows:

|                | Revenue produced | Million |
|----------------|------------------|---------|
| 1st class..... |                  | \$423   |
| 2d class.....  |                  | 17.4    |
| 3d class.....  |                  | 71.8    |
| Other.....     |                  | 8.8     |

The payment for public services would be increased from the original \$63 million to well over \$235 million under this bill.

A breakdown of the increases in the amended bill is attached (exhibit A).

##### Payment for public services

The Appropriations Committee has carefully reviewed during the past years the question of a proper charge to the general fund of the Treasury for what the Postal Policy Act defines as "public services" rendered by the Department. This is especially significant because the act (sec. 104(b)) places upon the Congress the responsibility for determining the measure of these services in the appropriation act, based upon budget estimates submitted to the Congress, and then provides that postal rates and

charges are to be adjusted from time to time so that postal revenues, including payment for these public services, will cover all postal expenditures.

##### Public service estimates and appropriations

| Estimates:                  |               |
|-----------------------------|---------------|
| 1959 (2d supplemental)..... | \$171,259,000 |
| 1960.....                   | 172,000,000   |
| 1961.....                   | 49,000,000    |
| 1962.....                   | 62,700,000    |
| Appropriations:             |               |
| 1959 (2d supplemental)..... |               |
| 1960.....                   | 37,400,000    |
| 1961.....                   | 49,000,000    |
| 1962.....                   | 62,700,000    |

##### Supplemental tables attached:

1. Dollar loss by classes of mail.
2. Comparison of cost coverages.
3. Summary of provisions of H.R. 7927 as reported by the House Post Office and Civil Service Committee, September 7, 1961.

##### Dollar loss by classes of mail

[In millions]

| Mail class:                              | Dollar loss |
|------------------------------------------|-------------|
| 1st class.....                           | 3.9         |
| Airmail.....                             | (+ 10.6)    |
| 2d class.....                            | 344.2       |
| Controlled circulation publications..... | 3.7         |
| 3d class.....                            | 251.9       |
| 4th class.....                           | 113.2       |

Source: Cost Ascertainment Report, fiscal year 1960.

##### Comparison of cost coverage—Present rates and legislative proposals

[Percent]

| Mail class                                         | Cost coverage <sup>1</sup> |                        |                        |                    |
|----------------------------------------------------|----------------------------|------------------------|------------------------|--------------------|
|                                                    | Current <sup>2</sup>       | H.R. 6418 <sup>3</sup> | H.R. 7927 <sup>3</sup> | H.R. 7927, amended |
| 1st class.....                                     | 99.7                       | 124.6                  | 124.6                  | 124.6              |
| Airmail.....                                       | 106.3                      | 114.8                  | 114.8                  | 114.8              |
| 2d class:                                          |                            |                        |                        |                    |
| Publishers' regular rate and transient.....        | 25.4                       | 45.5                   | 38.4                   | 30.3               |
| Publishers' preferred rate and free-in-county..... | 13.2                       | 24.6                   | 100.0                  | 100.0              |
| Controlled circulation.....                        | 67.0                       | 75.7                   | 67.0                   | 75.7               |
| 3d class.....                                      | 67.4                       | 94.4                   | 82.9                   | 78.8               |
| 4th class: Other than zone rate.....               | 80.2                       | 100.0                  | 100.0                  | 100.0              |

<sup>1</sup> Revenues include public service reimbursements using "revenue forgone" basis for current and H.R. 6418 cost coverages and applying "total loss" basis for H.R. 7927 cost coverage (\$62,700,000 versus \$235,000,000).

<sup>2</sup> 1960 experience adjusted for all known rate and cost increases.

<sup>3</sup> Based on estimated 1962 volume.

<sup>4</sup> Cost coverage may be somewhat lower. Under the proposal, the rate for single pieces weighing 1 ounce or less will be the same as 1st class and the additional revenues will appear in that class.

Revised: Sept. 7, 1961.

##### SUMMARY OF PROVISIONS OF H.R. 7927 AS REPORTED BY THE HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE, SEPTEMBER 7, 1961

The amended bill would increase the rates on—

First class: Letters from 4 to 5 cents an ounce; post and postal cards and drop letters from 3 to 4 cents.

Airmail: Letters from 7 to 8 cents an ounce; post and postal cards from 5 to 6 cents.

Second class: Three annual increases of 5 percent in the pound rate beginning with calendar year 1962, for advertising and non-advertising portions of publications (outside county mailings). Minimum rate per copy from one-half to three-fourths cent for 1962; and to 1 cent after December 31, 1962 (outside county mailings). No increase for qualified nonprofit organization mailings.

Controlled circulation: From 12 to 14 cents a pound.



Third class: Increases single piece rate from 3 cents for first 2 ounces to 5 cents for first 3 ounces and retains 1½ cents for each additional ounce; except holiday greeting cards which will be increased to 4 cents per ounce or fraction.

Increases bulk rate circulars from 16 to 18 cents a pound; books from 10 to 12 cents a pound except for qualified nonprofit organizations which remains unchanged.

Retains present minimum per piece bulk rates, except for third-class matter (a) mailed under time value request, or (b) not directed to a specific individual address on which minimum rate will be 1½ cents for nonprofit organizations and 3 cents on all other. Minimum rate for odd-size mail from 3½ to 4 cents.

Increases bulk-mailing fee from \$20 to \$25 per year. No increase on fourth-class mail, educational, or library rates.

The revenue derived from this measure is estimated at \$521 million a year when all rates are in effect.

Mr. ROBERTSON. Mr. President, in addition, the bill provides that we shall deduct as a cost of public service not \$63 million as recommended by the Postmaster General and subsequently approved by the Congress for fiscal year 1962, but over \$235 million, which would reduce the amount that we can say is being lost by handling magazines like the Reader's Digest and Life, and others which cause big losses.

Congress has twice turned down a measure that would require that the taxpayers be burdened with the expense of distributing franked unaddressed mail in the cities. The provision was put in an appropriation bill the year before last. We took it out. The House refused to sustain its conferees. They put in an identical proviso again this year in the fiscal year 1962 appropriation bill.

Again, after insistence by the Senate, it was taken out after a delay of over 2 months in conference on the issue. This same proviso appears again in the supplemental appropriations bill that passed the House just this week. Again I hope the Senate will take it out.

The Postmaster General testified positively that the taxpayers should not be put to the expense of distributing unaddressed franked mail in the cities. The handling of the postal rate bill in the House is a clear illustration of the difference between the way the House operates and the way the Senate operates. For that reason I give thanks for the wisdom of the Founding Fathers that provided that one cannot move the previous question and cannot bring a bill of national importance before this body under a gag rule that prohibits any and all amendments.

#### AWARD OF ELOY ALFARO GRAND CROSS TO CARLTON FREDERICKS

Mr. SMATHERS. Mr. President, I have been asked to have printed in the CONGRESSIONAL RECORD the highlights of the proceedings of the Eloy Alfaro International Foundation, on the occasion when my constituent, Carlton Fredericks, received the Eloy Alfaro Grand Cross, on May 15, 1961, at the Lotos Club, New York City. This honor was bestowed on him by Dr. Herman A. Bayern, Dr. John Maurice Keesing, Dr.

L. Lester Beacher, and Dr. L. Nicholas Dahlman, in the presence of many of his friends and distinguished colleagues, and in recognition of his distinguished public and private services in the field of improving the health of the peoples of the world and of this kind of service to mankind.

Dr. Herman A. Bayern, American provost, outlined the aims and purposes of the foundation, and explained why Carlton Fredericks had been approved for the highest honor of the foundation, and then called on Dr. John Maurice Keesing, international provost, who said in part:

The smallness of the world has eliminated the boundaries of even hemispheres. The recipient of today's award is familiar with a formula that is applicable not only to the field of nutrition, but every phase of international existence. The basic nutritional requirements for the survival of the individual human being any place in the world are essentially the same. But the methods by which the nutrition is obtained or administered, the form in which required food is consumed, differs from country to country.

Today, while our country is vitally concerned with the whole world, we are, despite issues in other parts of the globe, attempting to step up and strengthen the concept of equality of the Americas. In attempting to carry out this intention we, in the United States, when thinking of inter-American policy and hemispheric dimensions, striving to achieve a public order, must appreciate the vital differences that exist despite many similarities between the Latin American countries. We must realize that these countries are not a homogeneous group. There are substantial differences in population, on the cultural level, in literacy, and in social constitution. Both the public and private sectors in the United States when attempting to assist in the economic development of the Latin American countries will not have a successful program unless these differences between the individual countries are considered and the program modified to meet the particular situation in each country. American countries are partners, but as in life, partners in business and brothers of the blood, each have essential differences. To disregard these differences will result in an unhappy family relationship.

Today, the political movements in Latin America are brought about by the masses—that's a rather peculiar statement, but it's true. Their will is expressed by the participation of the people represented by their own leaders in the widest sharing of basic human values. The people have called for far-reaching reform of social, economic, and cultural affairs. The people expect a great transformation in the actual conditions existing today. Based on this movement, it is the aim of most of the leaders to develop the highest possible degree of economic potentiality of the nation's state. All of the countries of the Americas will go along with his desire, but the leaders of the countries and the designated leaders of the people must bear in mind that the aid between the Americas must be based firmly on the ground of enlightened mutual interest. It is not a one-way street. Not at all.

The basic change in international affairs today is that up to most recently nations granted aid to other nations—to quote Prime Minister Nehru of India: "on the ground of an enlightened self-interest." Today, aid must be based on the ground of an enlightened mutual interest. The most rapid potential for amelioration of economic conditions in the Americas is the participation of a private sector acting in concert with the

public sector. We must eliminate wherever possible having aid come solely from the public sector. Government to governments grants bring about the opposition of a private finance in industry whose leaders bring about progress in the country. The important thing that establishes a country as one that is self-governing, that one that can participate in international affairs, is the existence of a confirmed middle class.

Carlton Fredericks, in receiving the award, said:

I want to say very briefly because I am somewhat overwhelmed by this honor—that in essence I have accepted it not for myself, but in behalf of a public under whatever flag and living in whatever culture very much interested in self-improvement and willing to act upon it. Because without this essential ingredient in the equation, the microphone is sterile. And I think also a word should be said in behalf of the media of mass communications like radio who make this possible.

And I think, finally, that the philosophy under which I have tried to do this is a rather interesting one to cite because it so closely follows in the pathway which our international provost, Dr. Keesing, enunciated. There are two axioms. The familiar one that "no man is an island" and with international communications on a mass scale, he cannot be, and the other one which comes from an English philosopher about 200 years ago who said: "If every man would mend a man, then would all men be mended." Thank you.

The Eloy Alfaro International Foundation was organized to perpetuate and further the political moral values of the Americas by General Alfaro, for whom the organization was named, and who, from 1895 to 1901 and from 1906 to 1911, was President of Ecuador. The philosophy of General Alfaro, known as the Abraham Lincoln of South America, was based principally on service to fellow human beings and to the cause of international peace.

Others who have been similarly honored in the past include former Presidents Hoover, Truman and Eisenhower, President John F. Kennedy, Vice President Lyndon B. Johnson, FBI Director J. Edgar Hoover, Generals MacArthur, Crittenger, Devers, and Governors Harriman and Rockefeller. I was likewise honored on May 31, 1960, by this foundation.

I am delighted to add my congratulations to Carlton Fredericks for receiving the award.

#### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATIONS, 1962

Mr. MANSFIELD. Mr. President, I moves that the Senate return to the business which was laid aside temporarily.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana.

The motion was agreed to, and the Senate resumed the consideration of the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

Mr. KEATING. Mr. President, I call up my amendment 9-14-61-B, and ask that it be stated.



The VICE PRESIDENT. The amendment of the Senator from New York will be stated.

The LEGISLATIVE CLERK. On page 7, after line 23, it is proposed to insert the following:

SEC. 111. It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those nations which share the view of the United States on the world crisis.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New York.

Mr. KEATING. Mr. President, we all recognize that the world is facing a crisis over Berlin. That was one of the reasons why our distinguished Vice President went to Germany and did such an effective job there.

The immediate stake is the freedom and access rights of allied nations and others to the Western sector of Berlin. But the basic issue, the long-term issue and the issue upon which the nations of NATO are taking their stand, is not just West Berlin, but the right of a people to self-determination. It is the right of the people of West Berlin and by implication also of East Berlin and of East Germany as well as West Germany to choose for themselves the form of government which they wish and to live at peace under that form of government without continual harassment and threats of aggression from the Soviet Union.

Mr. President, the last decade and a half has seen the emergence from colonialism of a myriad of nations which once considered themselves as oppressed by the rule of certain Western nations. These newly independent nations very rightly cherish their independence and resent anything which might be construed as interference in their own internal affairs. Quite naturally, too, they support other nations which are on the verge of independence. And perhaps understandably they try to avoid cold war struggles in which their own interests do not appear to be immediately involved.

But, Mr. President, the time has come for the United States to take a second look at the neutrality of some of these so-called neutral nations. When the free world is facing a crisis over Berlin, a crisis in which the freedom and independence of millions of people is at stake there can be no genuine neutrality for any nation which pays even the slightest lipservice to the ideals of freedom.

Mr. President, today a third of the world is held in a Communist colonialism that is more rigorous than Western control ever was. The continual flow of refugees from Communist-held areas, from Tibet, from China, and, above all, until a month ago from East Berlin, has revealed more clearly than any amount of Communist propaganda what the people who have to live under communism really think of it. The millions of people who have fled from Communist countries know what imperialism really is. In East Berlin and East Germany, in fact, their detestation of Communist rule was so great that the only way to keep anyone in the country was by build-

ing a wall, by making the whole state into a concentration camp, and by shooting to kill at all escapees. Today we are told that the suicide rate in East Berlin has mounted to phenomenal heights as these people, like Americans at one point, are declaring in the only way they can "give me liberty, or give me death." Mr. President, it is behind this Iron Curtain of Communist tyranny that the real imperialism, the real slavery, the real disregard of individual and national rights is taking place today. Frankly, Mr. President, it seems to me that the present Berlin crisis has made this fact unmistakably clear to all those who are really interested in the truth. But if, as it appears from the Belgrade Conference, some nations are more intimidated by Soviet threats than they are influenced or won over by U.S. aid, then the United States would certainly gain more in the long run by spending on missiles and rockets and military equipment the funds that have been used to help these countries.

Furthermore, Mr. President, on the question of nuclear testing and above all on nuclear testing in the atmosphere where radioactivity can poison future generations of mankind, there is also no room for neutrality. By commencing nuclear testing in the atmosphere with tremendous contamination resulting, the Soviet Union has shown its complete disregard not only for public opinion in 1961 but for the future of the human race over generations. On this issue, too, Mr. President, there can be no neutrality for any nation which pays even the slightest lipservice to the ideals of human betterment.

Mr. President, we are today considering an appropriation bill to provide nearly \$4½ billion of assistance to many underdeveloped or newly independent nations for the express purpose of helping them achieve economic betterment and maintain political freedom. I support the appropriation of these funds because I believe it is in the interest of the United States, both morally and practically, to help many of these countries achieve their goals. But I think it should be made very clear that the ability of the United States to underwrite economic development throughout the world is not unlimited. Our support must be channeled where it can do the most good for freedom and for economic progress. I should like to quote the statement that President Kennedy made on September 4 when he signed into law the authorization bill for this appropriation. The President said:

With the signing into law of this bill, a decade of development begins. A long-term commitment of development funds, which the bill authorizes, will assist the underdeveloped countries of the world to take the critical steps essential to economic and social progress.

The bill also continues our support of worldwide collective security arrangements essential to free world defense.

I am hopeful that the Congress will provide the funds necessary to fulfill the commitments it undertook in enacting this legislation.

Our adversaries are intensifying their efforts in the entire underdeveloped world. Those who oppose their advance look to us

and I believe, at this dangerous moment, we must respond.

It is my belief that in the administration of these funds, we should give great attention and consideration to those nations who have our own view of the world crisis.

Mr. President, I support the words of President Kennedy at that time and I particularly support the President's last sentence that "We should give great attention and consideration to those nations who have our own view of the world crisis." Mr. President, the recent Belgrade Conference, the reaction of many of the so-called neutral nations to the Berlin crisis, and even more significant their reaction to the blatant Soviet resumption of nuclear testing in the atmosphere, make us really wonder how neutral these neutral nations are. It is beginning to look as if some of them were neutral against the West, and neutral in favor of the Communist bloc. I therefore believe that it would be altogether fitting and appropriate for the Congress of the United States to take notice of this so-called neutrality in the appropriation of funds for foreign aid just as the President apparently took notice in his statement on signing the authorization bill.

Mr. President, I therefore propose an amendment to this appropriation bill to include within the bill the language used by the President of the United States. My amendment would add to the bill the sentence "It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those nations which share the view of the United States on the world crisis." Mr. President, I think it is about time that the Congress is placed on record as specifically preferring the extension of U.S. aid to those countries which have a genuine appreciation of freedom and a genuine concern for the welfare of mankind. We are literally throwing our money down the drain if we give it or lend it to nations, the leaders of which are unable to appreciate what is at stake in the Berlin crisis or unwilling to condemn the belligerent nuclear testing undertaken by the Soviet Union. I realize that an amendment in this form is not absolutely binding, but I think it is important nonetheless to reaffirm this principle as stated by the President so that we can in fact concentrate our assistance on those countries which share in our own concern for the survival of freedom throughout the globe and our hope for economic and social betterment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. SALTONSTALL. Mr. President, I have read the suggested amendment of the Senator from New York. I have talked to him about it also. It is an excellent amendment. I hope that the chairman of the committee will accept it and take it to conference.

Mr. KEATING. I appreciate very much the words of the distinguished Senator from Massachusetts. I hope that the committee will not only take it to conference, but that the conferees will succeed in conference in keeping it in the bill, because it is certainly the



announced policy of the President of the United States. It simply gives Congress an opportunity to say the same thing. I am grateful for the Senator's comments.

Mr. HAYDEN. I can see no objection to the amendment. I am willing to accept it.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. LAUSCHE. During the last summer, while mutual aid was being considered by Congress, many representatives of foreign nations came to the United States, particularly to Washington. As a member of the Foreign Relations Committee, I had the privilege of being with these delegations while our course on mutual aid was being discussed. Frequently, while being with them, I saw manifest a sort of challenge about our right to deny aid to countries regardless of the stand they took. It was frightening to me, and to a substantial degree it changed my attitude on this program. One of our associates, the Senator from Iowa [Mr. HICKENLOOPER], asked one of these visitors, "If we give you this aid, what will you do for us?"

The man said, "You have no right to ask us that question."

We saw in Belgrade within the last several days a development that was rather shocking to me. There was no denunciation of the acts of the Soviets in reengaging in nuclear tests. Their silence became approval. Out of that conference went at least the beginnings of a purpose to attack our country for its alleged misconduct.

In my judgment the language contained in the amendment, if anything, is mild. However, I recognize that we cannot have rigid, inflexible language on the subject. I gladly support the Senator from New York and the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Hawaii [Mr. FONG] in urging the adoption of the amendment. I commend the Senator from Arizona for his willingness to accept the amendment.

Mr. KEATING. I appreciate the comments of the Senator. I agree with them fully. It makes one wonder sometimes whether the so-called neutrals are simply neutral against the West and neutral in favor of the Communist bloc. Sometimes we get that impression. I believe the amendment will take note of what we think of true neutrality, which we respect. We respect the views of those who are truly neutral who seek to judge issues honestly, on their merits. However in this appropriation bill we should do what the President said when he signed the authorization bill, by showing all these countries that we do not wish to exert ourselves to help people who do not have a genuine understanding and appreciation of our position.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. KEATING. I yield.

Mr. LAUSCHE. I think there is becoming manifest in the attitude of some of these countries that they can play the United States against the Soviets,

and the Soviets against the United States. It is an old technique in international relations. We ought not to give encouragement to it. We ought in some way to indicate that we will consider with greater affection those who share our view on this crisis of the world.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. KUCHEL. Mr. President, without any question the Senate ought to adopt the amendment offered by my able colleague from New York [Mr. KEATING] and of course it will. There will be no opposition to it. There should be none. The time is overdue for the nations of the world to stand up and be counted. The people of the United States have a responsibility for leadership in the cause of people's freedom and freedom of mankind. The Government of the United States has a responsibility, a overpowering responsibility, to provide for the security of the American people and to cooperate with like-minded people and like-minded nations everywhere on the globe, thus having the free peoples and free nations stand up alongside the Government and people of the United States. That is what the amendment of the Senator from New York says in effect must be done. To his credit, that is what the President of the United States said must be done. I add my congratulations to the Senator from New York for the amendment he has offered.

Mr. KEATING. I thank the Senator for his eloquent statement concerning the purpose of the amendment and also for his kind comment about me.

Mr. PASTORE. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. PASTORE. I am pleased and honored to associate myself with this amendment which incorporates the very language of the President of the United States. The other night I was riveted for an hour to a television program which covered the so-called neutral conference in Belgrade. It was one of the most depressing performances I ever witnessed. Nation after nation, represented by their leaders; nations to which we, continually, consistently and generously have given our moral support and financial aid disregarded entirely the fact that Khrushchev was exploding his nuclear bombs. They said not a single word in their resolution in condemnation of Khrushchev. The implication could not be stronger than that they were condemning the Western World, including the United States of America.

Nothing pleased me more than the position taken on September 4 by the President of the United States that from now on we will look to those who are helping us, who believe with us and support us; we will take a second look at our fair weather friends. Every time the Russians shoot off something, bomb or bombast, they become so terrorized that they promptly stand up and vote with the Kremlin.

The time is approaching when our position in the United Nations will be perilous. If Khrushchev is so able to maintain his intimidation of those people then they will vote under duress and not

vote their free will. The United Nations will no longer be a free forum. Then it will have become the tool of Khrushchev. The votes will all be against the free world, no matter how much aid we give, no matter how hard we try to be of honest human help.

I do not know how necessary the amendment is in view of the strong statement by the President of the United States. I applaud President Kennedy for having made it. I applaud the Senator from New York for stating the judgment of the President as the consensus of the Senate. I shall vote for the amendment.

Mr. KEATING. Mr. President, I thank the distinguished Senator from Rhode Island. The President is absolutely right. The amendment shows that Congress backs the President in his position 100 percent.

Mr. AIKEN. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. AIKEN. The amendment offered by the Senator from New York is a good amendment. When I reported to the Senate on the United Nations in the early part of the winter I made a suggestion, germane to this proposal, that the day was at hand when we should give assistance to those people who, in turn, though they were not able to give material assistance to us, at least shared our views. I notice that the amendment of the Senator from New York contains the words "share the view."

I thought it was quite significant that at the Belgrade Conference the representative of the newest member of the United Nations, Cyprus, was the only one, apparently, who dared to stand up and express his opinion of Russia's resumption of nuclear testing. I feel certain that other so-called neutral nations which were represented there perhaps shared our views about the Russian testing but did not express them very forcefully. Had they done so, they probably would have been outnumbered by many of the 24 nations represented there.

As I have said before, the time has come when we should give our assistance to those countries which share our views. Possibly the governments of those countries may not exactly share our views; but when the overwhelming percentage of the people share our views, it seems to me that they should have preference in what assistance we are able to provide.

I listened with not very good feeling, to some of the speeches made last fall at the United Nations by representatives of the small countries, the emerging countries, who took the position that the United States owed it to them to give them whatever they demanded; and the demands would have been limitless had we yielded to them. I think we should tell those nations that we expect aid to be a two-way arrangement; that we will not continually go into debt, as we are now doing, to the extent of billions of dollars every year—and it seems now that we will continue to go billions of dollars into debt for the next few years in order to help them—without any expression or indication of gratitude, but



only with the constant feeling on their part that we are not doing enough. It will never be possible to satisfy some of those countries, so why continue our generosity toward them?

Mr. KEATING. Mr. President, I express my gratitude to the distinguished Senator from Vermont, who speaks from a wealth of experience. We all look upon him as a real statesman in the field of foreign relations. To have his support is most gratifying.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. MILLER. I wish to echo the sentiments so ably expressed by the distinguished Senator from Vermont [Mr. AIKEN], the distinguished Senator from Rhode Island [Mr. PASTORE], and the distinguished Senator from New York [Mr. KEATING]. I believe this is a needed proposal; in fact, I regret that it has not been stated, at least in this fashion, in previous years.

I merely wish to add to what has been said that it seems to me the amendment is most timely in view of the impending business before the United Nations concerning the admission of Communist China to the United Nations.

I sincerely hope that the actions and the votes by the prospective recipients of the tax moneys of the United States will be very carefully watched in the coming sessions of the United Nations, and that if some nations see fit to place the so-called principle of universality above the moral principle of admission on the basis of peace-loving attitudes, such nations will not be able to expect very much of our money.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Will United States Reappraise Neutrals?" written by Crosby S. Noyes and published in the Washington Evening Star of recent date.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILL UNITED STATES REAPPRAISE NEUTRALS  
(By Crosby S. Noyes)

PARIS.—Among the more dramatic results of the conference of unaligned nations that ended in Belgrade this week could well be an agonizing reappraisal of American foreign policy when it comes to continued support and financial aid to some of the countries represented there.

So far as Western diplomats are concerned, this was a particularly distressing aspect of the abuse so liberally heaped on the West in the course of the 6-day meeting. With rare exceptions, the public speeches of the neutralist leaders in Belgrade added up to the most eloquent and devastating argument against the American foreign aid program ever heard. And the fact that this argument should have been made at a moment when this very American aid program is under critical attack in Congress compounded the essential stupidity of the performance.

The results could be extremely serious, indeed, when one considers the great degree of dependence of many of the most violent critics on continued American support. To cite only one case, Yugoslavia has recently presented the American Government with a large request for urgently needed assistance, including thousands of tons of wheat to offset disastrous crop failures. Most certainly, these requests are due for a critical reex-

amination in the face of the political attitudes expressed by Marshal Tito in the course of the conference. Within the next few weeks, the Yugoslav Government has some serious explanations to make.

#### ISSUE IS RESULTS

To this extent, reappraisal of past American policies seems thoroughly justified. It is not a question as some nonaligned leaders loudly claim of attaching political strings to aid or interfering in the affairs of other countries. It is a question merely of whether the results of these policies, as reflected in the political attitudes of the countries involved, justify continued sacrifice on the part of the American taxpayer.

Many who sat through the recent conference came away with a feeling that the sublime arrogance of the Titos, the Nkrumahs and the Sukarnos of the world could stand a bit of healthy deflation. Those who proclaim the moral obligation of the rest of the world to support them and then use this very aid as a club to beat their benefactors can hardly hope to escape forever the consequences of their own lack of realism. There are limits, after all, to the patience of the most dedicated advocate of American aid programs. And the reaction of some diplomats to the goings-on in Belgrade suggested that this limit was perilously close to being reached.

Nor is reappraisal strictly confined to the question of economic aid. Neutralism—including the most virulently anti-Western kind—is, after all, largely the byproduct of the policy of containment of communism. It rests entirely on an assumption of vigorous Western power and the use of this power everywhere in the world to resist the advance of Russian and Chinese domination.

#### THEY DEPEND ON WEST

At Belgrade, the nonaligned leaders universally deplored the opposition of the two major power blocs. But it goes without saying that if these blocs did not exist or more specifically, if the Western bloc did not exist—the neutral nations would not exist, either. Even the merest suggestion that the United States is in a mood to review its commitments in certain areas of the world would produce a miraculous change in the perspective of some of the most outspoken critics of "aggressive Western imperialism."

The danger, of course, is that the reaction at home may go much too far. Today the chief concern of professionals abroad is that the meeting in Belgrade could produce a wave of bitterness in the United States which would play into the hands of isolationists and those who oppose foreign aid in general. If no distinctions are drawn and no restraint exercised, the results could be little short of catastrophic for American interests throughout the world.

Despite the shrillness of the anti-Western group in Belgrade, the fact is that the results of the meeting were by no means entirely negative. In the end, an important group of moderate neutrals, led by India's Nehru and Burma's U Nu, waged a bitter and largely successful fight to prevent domination of the conference by its radical wing. The outcome of this struggle was a final communique far more restrained in tone on most vital points than the earlier speeches had led observers to expect. Indeed, the conference, instead of unifying nonaligned opinion, tended in the end to divide it more deeply than ever, with the predominant strength quite apparently on the side of the moderates.

This division must obviously be taken into account in any reappraisal of American programs and policies that may be forthcoming. The results at Belgrade may suggest the advisability of more discrimination

in the future when it comes to choosing beneficiaries of aid. But any wholesale revision of reduction of effort is most certainly not what the situation calls for.

Mr. KEATING. Mr. President, I thank the distinguished Senator from Iowa for his support.

Mr. PROXMIRE. Mr. President, I support this excellent amendment. It is essential that the foreign aid program serve the cause of freedom and the best interests of the United States of America.

Obviously, when foreign aid goes to nations which are not on the side of freedom—particularly to those nations which give aid and comfort to the Communist conspiracy—it not only frustrates our purposes and wastes our tax money but also tends to defeat the cause of freedom in the world.

Mr. President, I am proud that the President of the United States, Mr. Kennedy, said only a few days ago:

It is my belief that in the administration of these funds we should give great attention and consideration to those nations who have our view of the world crisis.

This is the spirit and intent of the Keating amendment. I hope it passes, that it prevails in the conference, and that it becomes law.

Mr. President, to document my position I ask unanimous consent to have an article from the U.S. News & World Report, entitled "To Neutrals: U.S. Billions; From Them: 0" printed in the RECORD. The fact is that the so-called neutrals have received over \$6 billion of foreign aid from this country since World War II. The return, as evidenced by the Belgrade Conference, has been a deeply disappointing zero.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TO NEUTRALS: U.S. BILLIONS; FROM THEM: 0

BELGRADE.—Out of a meeting here of 24 so-called neutral nations, the American people could learn the lessons that follow:

The \$6 billion of U.S. aid to these "neutrals" brought no kind words, no backing, for the U.S. viewpoint.

Russia, by ignoring neutral pleas and openly testing nuclear weapons all during the Belgrade Conference, clearly got more out of these neutrals than did the United States. Final documents of the Conference criticized the United States and its allies by name, did not criticize Russia.

Yugoslavia's Tito, host of the Conference and a Communist who has received more U.S. aid than any other neutral, proved to be on Russia's side in this showdown.

Tendency among the Belgrade neutrals was to veer to the side that talked tough, showed power, stirred up war crises. That side is the Communist side.

This Conference of neutral nations ended in the early morning of September 6. On that same day India's Jawaharlal Nehru and Ghana's Kwame Nkrumah flew to Moscow to give Khrushchev the neutrals' plea not to start a war.

At the Kremlin banquet, Nehru told the Soviet dictator: "It would be illogical, nay wrong, unwise and stupid to start a war."

Khrushchev told Nehru that Russia wanted only peace, disarmament. Neither leader mentioned that Russia had just set off four nuclear explosions in 6 days, ending hope for a test ban.

American observers at the Belgrade Conference noted these things:



U.S. policy in recent years has been greatly influenced by concern over what neutrals might think of U.S. policy. There was no evidence at Belgrade that this policy has paid off.

Nikita Khrushchey in the same period has acted on the theory that neutrals respect power, threats, more than cash and kind words. This policy, it seems, has paid off for the Soviet Union.

Indonesia's Sukarno, recipient of half a billion dollars of U.S. aid and an ardent backer of Soviet policy at the Belgrade Conference, with President Keita of Mali, is taking the neutral peace appeal to President Kennedy in the United States.

Question now asked: After Belgrade, will the United States keep supplying neutrals with cash, kind words, and a voice in U.S. policymaking toward Russia?

#### THE NEUTRALS—WHO GOT HOW MUCH

Between the end of World War II and March 31, 1961, the United States gave and loaned more than \$6 billion to 24 nonaligned nations, as follows:

| [In millions]           |                            |              |         |
|-------------------------|----------------------------|--------------|---------|
|                         | Economic and technical aid | Military aid | Total   |
| Yugoslavia.....         | \$1,362                    | \$719        | \$2,081 |
| India.....              | 1,906                      | 0            | 1,906   |
| Indonesia.....          | 458                        | 21           | 479     |
| United Arab Republic... | 346                        | 0            | 346     |
| Cambodia.....           | 191                        | 66           | 257     |
| Morocco.....            | 168                        | 0            | 168     |
| Tunisia.....            | 142                        | 0            | 142     |
| Afghanistan.....        | 116                        | 0            | 116     |
| Lebanon.....            | 76                         | 7            | 83      |
| Ethiopia.....           | 44                         | 35           | 79      |
| Burma.....              | 73                         | 0            | 73      |
| Iraq.....               | 20                         | 49           | 69      |
| Ceylon.....             | 63                         | 0            | 63      |
| Cuba.....               | 38                         | 16           | 54      |
| Sudan.....              | 31                         | 0            | 31      |
| Nepal.....              | 27                         | 0            | 27      |
| Saudi Arabia.....       | 27                         | 0            | 27      |
| Congo Republic.....     | 19                         | 0            | 19      |
| Yemen.....              | 10                         | 0            | 10      |
| Cyprus.....             | 7                          | 0            | 7       |
| Somali Republic.....    | 7                          | 0            | 7       |
| Ghana.....              | 5                          | 0            | 5       |
| Guinea.....             | 2                          | 0            | 2       |
| Mali <sup>1</sup> ..... |                            |              |         |
| Total.....              | 5,138                      | 913          | 6,051   |

<sup>1</sup> Small amount, except figures not available.

Now, U.S. officials are beginning to question how much longer aid should flow to neutrals who lean to Soviet Russia more than to the United States. President Kennedy, for example, added this postscript when he signed the authorization for another year of foreign aid: "It is my belief that in the administration of these funds we should give great attention and consideration to those nations who have our view of the world crisis." Some neutrals might not qualify for so much aid in the future, if the President's words were to be strictly applied.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I offer an amendment to section 102 and ask that it be read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to add the following section:

SEC. 102. None of the funds appropriated herein under "Economic Assistance" (except funds used to make contributions to international organizations or programs administered by such organizations) shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which

is not based upon a computation of benefits and costs made insofar as practicable in accordance with the procedures applied to flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the United States by Circular A-47 of the Bureau of the Budget, dated December 31, 1952.

Mr. SALTONSTALL. Mr. President, this is the language that the committee wished to get from the Department of State as proper language for an amendment to be offered on the floor of the Senate. I understand there is no objection to the amendment. I ask unanimous consent to have printed at this point in the RECORD a letter to the chairman of the committee from Mr. Theodore Tannenwald, Jr., special assistant to the Secretary of State.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

#### DEPARTMENT OF STATE,

Washington, September 14, 1961.

The Honorable CARL HAYDEN,  
Chairman, Committee on Appropriations,  
U.S. Senate.

DEAR MR. CHAIRMAN: The foreign assistance appropriations bill as reported out by your committee, which in almost every respect is eminently satisfactory, contains one troublesome general provision.

Section 102 prohibits the use of foreign aid funds to finance the construction of any new water projects which has not met the standards and criteria of Circular A-47 of the Bureau of the Budget. The effect of this section is to impose, in a wholly indiscriminate manner, all of the provisions of Circular A-47, which was prepared to guide the preparation of only domestic water projects.

Accordingly, the application of Circular A-47 in its entirety to foreign assistance water projects puts the executive branch in the difficult position of having to determine, without any congressional guidance, which provisions can be made applicable and which cannot, recognizing that in any case the circular takes no cognizance whatsoever of conditions in underdeveloped countries.

There is attached an annex which gives some examples of the total incongruity of the application of all the provisions of Circular A-47 to foreign assistance water projects.

We do recognize, however, that one requirement of Circular A-47 does have application to such projects, that is, the computation of benefits and costs. Section 611 (b) of the Foreign Assistance Act of 1961 embodies this requirement, and the following revision of section 102, along similar lines, would be both meaningful and workable:

"SEC. 102. None of the funds appropriated herein under 'Economic Assistance' (except funds used to make contributions to international organizations or programs administered by such organizations) shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which is not based upon a computation of benefits and costs made insofar as practicable in accordance with the procedures applied to flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the United States by Circular A-47 of the Bureau of the Budget, dated December 31, 1952."

We would therefore very much appreciate whatever you can do to persuade the Senate to adopt this substitute tomorrow.

Sincerely yours,

THEODORE TANNENWALD, Jr.,  
Special Assistant to the Secretary.

#### ANNEX

The literal application of Circular A-47 to foreign assistance projects would be like forcing a round peg into a square hole, as the following examples demonstrate:

1. Paragraph 8h(1) requires calculation of the benefit of electric energy and water supply projects as the value of the project measured by the cost of the cheapest alternative source of electric energy or water supply. Such standards are unworkable in some less developed countries which lack an abundance of alternatives and are often without a sufficient developed monetary economy to permit precise monetary calculations.

2. Paragraphs 13 through 21 are largely concerned with a balancing of the roles to be played by the Federal Government and the States in the development of the water resources of the United States. Therefore none of them is particularly applicable.

3. Some provisions of the circular call for expression of opinions by Federal agencies not equipped to evaluate a project in a foreign land. Paragraph 16b calls upon the Federal Power Commission to express its views and upon "the agencies concerned with marketing power produced at Federal plants in the region." Paragraph 17b calls for statements by the Secretary of the Army or Chief of Engineers and of the Secretary of Agriculture. While clearly relevant to domestic projects, the expression of views about foreign projects is not appropriate to the functions of these offices.

4. Another instance of the inappropriateness of making all of the circular applicable to foreign assistance is to be found in paragraph 11c(2). It forbids allocation of costs to pollution control or abatement unless these costs are to be reimbursed by the "States, local governments, districts, or other interests concerned."

5. Paragraph 15 suggests that if reimbursement is to be made, interest should be paid in accordance with the rate of interest on money borrowed by the Treasury. This method of determining the interest to be charged is totally inconsistent with the guidelines being established for development loans under the Act for International Development.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I offer an amendment and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 19, it is proposed to strike out "\$1,700,000,000" and insert in lieu thereof "\$1,550,000,000."

Mr. ELLENDER. Mr. President, this amendment would reduce the amount appropriated for military assistance to that which was approved by the Senate when we considered the authorization bill. If the Senate should pass the pending bill as presented, it will mean that the amount for military assistance will, in reality, be \$2 billion for fiscal year 1962.

That amount is composed of an appropriation of \$1.7 billion and a drawdown, under section 510 of the authorization bill, of \$300 million. Mr. President, I will not restate here today all of the facts and figures that I recently presented to the Senate when the authorization bill was before this body. However, I would like to point out that in the last 15 years we have spent or obligated more than \$90 billion in this foreign-aid venture,



and more than one-third of this amount has been utilized for military assistance.

Last year, when the foreign aid bill was before us, Congress appropriated \$1.8 billion. At that time there was a carryover of \$2.3 billion—funds which were obligated, but could be deobligated at the will and whim of the military. The committee was told then that a \$2.3 billion carryover was the minimum pipeline required for the military assistance program. When we appropriated \$1.8 billion last year, this carryover increased by almost \$300 million because expenditures lagged. So, Mr. President, today there is a carryover of almost \$2.6 billion.

Mr. President, if my amendment is adopted, there will be available for the military assistance program for fiscal year 1962, \$1,850 million, which is just \$35 million under the estimate requested by the President. Furthermore, if it is agreed to it will provide \$100 million more for this program than the Senate voted in the authorization bill.

It will be recalled that under section 510 of the authorization bill, the Senate provided for a drawdown of \$200 million, and authorized an appropriation of \$1,550 million for military assistance. My amendment provides an appropriation of \$1,550 million, the exact amount authorized by the Senate a few weeks ago, and when the \$300 million drawdown which is now in the authorization bill, is added to the appropriation it will mean that the President will have at his disposal for the current year \$1,850 million for military assistance, or \$100 million more than was authorized by the Senate.

Mr. President, I have always been in favor of military assistance sufficient to provide countries with internal security; however, this program contemplates more than that. As one example, I might point out that we have spent and are spending millions of dollars to create an army in Iran—not for the purpose of maintaining internal security there, but for the purpose of fighting Russia, in the event an attack were made. But, Mr. President, if we are to believe what has been said about the military strength of Russia, it would require but hours for Russia to liquidate Iran and the Iranian army. Thus, the military assistance we are now providing for Iran could easily be cut back. Instead, let us provide that country with enough assistance to enable her to maintain her internal security. Certainly this will be more practical and also less costly.

Mr. President, we have had some sad experiences with some of the armies we have created in other countries. Consider the case of Iraq: We have spent millions of dollars in that country. But today the government of Iraq is no longer with us, and there are threats that the arms we made available to Iraq may be used against some of our friends.

Consider South Korea: Mr. President, for the past 8 years we have been spending billions of dollars in that country, in order to create an army and to impose on that country a democratic form of government. But today the govern-

ment of South Korea is under control of the very army we have created. It is true that it never was a democracy, but there was a semblance of a democracy when Syngman Rhee was chief of state. Because of the mismanagement of the vast amount of money that we made available to that country, Mr. Rhee was deposed, and now there is military rule in South Korea.

Mr. President, I dare say, so to speak, that we are over the barrel in Korea because we must work with the military regime there to save what we already have spent and to maintain our own two divisions in that country.

As I have pointed out, there is provided in this bill over \$400 million for the prosperous countries of Western Europe. I think it is shameful for this Senate to vote a thin dime to assist those countries which are financially able to purchase military hardware from us.

Evidence was produced before our committee to indicate that our allies in Western Europe are spending about \$7 of their money for each \$1 we furnished them for defense in Western Europe. But the people who presented those figures have failed to state the full case. They do not point out that for total defense expenditures we spend \$3.5 for every \$1 spent by our Western European allies.

As I have often said before this body, if we continue to spend at our present rate, we will destroy our country, short of war, because our economy will collapse. If our overburdened taxpayers lose their initiative, then this will be a sad day for America. This is the dilemma which faces our country today. Our economy is staggering under a fantastic national debt. If we are ever to return this country's economy to a healthy state, then we either must cut back on expenditures or increase taxes.

It seems apparent that no one is willing to insist that our so-called allies carry their just share of maintaining the defense of the free world. So the only alternative we have, if we are to continue to spend at the rate at which we are now spending and balance the budget, is to impose more taxes. This, I believe, would be a very shortsighted and a foolish thing to do. I do not know of any other action that will destroy the initiative of our people more than will the imposition of more taxes.

Mr. President, I do not want to belabor the question before us now. It is very simple. We have debated it at length in the consideration of the authorization bill. I assure Members of the Senate that, if my amendment is adopted, the President will have available for military assistance \$100 million more than the Senate voted for in the authorization bill and that amount will be more than ample to take care of the worst cases that need attention.

I might also point out that under section 507 of the authorization bill, the President is empowered to sell military hardware to our friends, if they need it.

In all sincerity, I hope the Senate will vote for the amendment. I want to emphasize that, it will make available

to the President \$1,550 million in cash, and it will give him a drawdown authority, under section 510, of \$300 million, for a total of \$1,850 million, available for military assistance.

As I said a moment ago, in addition to that, there is a carryover from prior appropriations of almost \$300 million more during the past fiscal year than there was during fiscal year 1960. So, with the amount we are now providing, it is entirely possible that the carryover will continue to grow.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. I wish to say first that I enthusiastically support the amendment. I think it is an excellent amendment and makes sense.

I want to be sure I understand what the Senator said. It is true that, if the amendment is adopted, the Senate will still be making available to the President more than was authorized for military assistance in the foreign aid authorization bill which was passed earlier this year. Is that correct?

Mr. ELLENDER. By the Senate, yes.

Mr. PROXMIRE. By the Senate. In addition, What is the relationship between the amount made available now to the President for military assistance and the amount made available last year?

Mr. ELLENDER. The total amount last year was \$1.8 billion. This year, with the drawdown, it will be \$1,850 million.

Mr. PROXMIRE. So it would be more this year than it was last year?

Mr. ELLENDER. That is correct.

Mr. PROXMIRE. Is it not true that there is a substantial sum available to our Western European allies, our NATO allies? The figure available this year, which I take it is not classified information, is \$222.9 million.

Mr. ELLENDER. No. For the NATO countries the entire amount is over \$700 million, but the figure for the NATO countries of Western Europe, which are well able to take care of themselves and to purchase military hardware from us, amounts to over \$200 million.

Mr. PROXMIRE. Exactly. In other words, excluding Greece and Turkey, the sum for Europe is over \$200 million.

Mr. ELLENDER. That is correct.

Mr. PROXMIRE. The Western European countries—countries whose standards of living have been improving more rapidly than ours, which by and large tax their people more lightly than we tax ours, which devote smaller portions of their gross national products to national defense, which have at least as much to gain as we and perhaps more—still would receive over \$200 million from us in military assistance.

Mr. ELLENDER. The Senator is correct. But I may also point out that aside from that, we will spend large amounts as our share of operating NATO. We are also maintaining the 6th Fleet in the Mediterranean, which is over and above our contribution to NATO. In addition, Mr. President, we are now maintaining in Europe, as we all know, 5½ Army divisions. I noted the other



day the statement which appeared in the newspapers that the President was getting ready to order 45,000 more troops to Western Europe.

It goes without saying that if we continue to be as liberal as we have been in the past, we shall lull our so-called allies into the belief that Uncle Sam will continue to carry the load.

Mr. PROXMIRE. Mr. President, will the Senator yield further.

Mr. ELLENDER. We cannot allow this state of affairs to continue. I yield.

Mr. PROXMIRE. Is it not also true that included among the beneficiary countries, so far as military assistance is concerned, is France; and included as a beneficiary of supporting assistance, presumably to shore up the economy to provide an adequate defense, is Tunisia?

Mr. ELLENDER. That is something.

Mr. PROXMIRE. In the case of France, is it not true that a great deal of the French budget has been devoted not only to war with Algeria but also to military action involving Tunisia? In the case of Tunisia, obviously a great deal of its military effort has gone into an attack on France.

As the Senator from Louisiana said, much of the effort in Pakistan has gone into actions which have necessitated expenditures on the part of India and Afghanistan.

Mr. ELLENDER. I am glad my good friend has raised the question of Pakistan. We sought to create in Pakistan a democracy ruled by the people. But today, as all of us know, there is a military leader of Pakistan.

Quite a large sum of money is in the bill—we cannot state the amount, because it is secret—to give military hardware to Pakistan. This of course irks the Indians and the Afghans. I believe that this action will lead to more trouble for us.

The same thing is the result in North Africa, with respect to Tunisia. We have made available to the French, as I remember the figures—I shall ask to correct them for the Record, if I either overestimate or underestimate them—over \$9 billion, and over one-third of that money was for military assistance. Much of that military assistance has been used and is now being used in North Africa.

Mr. President, we have provided our allies in Western Europe with military hardware and we are continuing to do so while they develop their economies. Today their economies have increased percentagewise many times over ours during the same period of time. These countries are spending more money than they have ever spent to build their economies. Their gross national products have grown greatly.

Let us consider the case of Italy. We are making available to Italy millions of dollars, yet the record shows Italy is spending approximately 3 percent of its gross national product for defense, compared to our 10 percent.

Mr. PROXMIRE. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. Is it not true that the Senate has agreed to an amendment

offered by the Senator from New York—an excellent amendment which I enthusiastically support—which indicates we should give preference in our aid to countries which share our views?

Mr. ELLENDER. If we follow that principle we can cut one-third of the amount from the aid bill.

Mr. PROXMIRE. We can certainly cut the military assistance program.

Mr. ELLENDER. Easily.

Mr. PROXMIRE. The fact is that Morocco and Afghanistan and many other countries have been neutrals, and on occasion less than neutrals.

Another Senator has just told me that he will support the amendment offered by the Senator from Louisiana, because while he enthusiastically supports the foreign aid program he is not so sure about which way the guns we give these beneficiaries will point. It is fantastic for us to think of giving assistance militarily to any country which is not certain to be, or at least most likely to be, on the side of freedom.

Mr. ELLENDER. As I have often stated on this floor, I would have no objection to furnishing military hardware to some of our friends so that they could maintain internal security. But I am completely opposed to furnishing money to create armies which we may face as foes.

Let us consider the case of Laos. If the past administration had decided to treat Laos as a neutral nation, we could have gotten along without providing much military assistance and we could have provided more economic aid. The moment we created an army in Laos, so that Laos could remain in the Western camp, our troubles started.

We had trained soldiers in Laos at our own expense, but when the time came to fight there was nobody who wanted to fight.

As I said earlier if we had maintained from the beginning the treatment of Laos as a neutral, helping the country economically, then in all probability we would have spent less money and relations between our country and Laos would be better.

Mr. SALTONSTALL. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I yield.

Mr. SALTONSTALL. Perhaps it is a statement rather than a question.

The Senator referred to the \$300 million which would be available to the President for a drawdown out of military stocks.

Mr. ELLENDER. Yes.

Mr. SALTONSTALL. I point out to the Senator that this year, for the first time, in the authorization bill it is stated that the President cannot use any of his Contingency Fund for military assistance. He can use that only for economic assistance. That is provided in section 451 of the Authorization Act.

If the President uses his drawdown authority of \$300 million this year, repayment to the Defense Establishment of that drawdown would have to be made from next year's military assistance appropriation. This would reduce the amount available for military assistance

next year from \$1.7 billion to \$1.4 billion.

Mr. ELLENDER. The Senator is correct.

Mr. SALTONSTALL. Under the so-called Bridges amendment, which was adopted by the committee, the President would first have to use any unprogramed military assistance funds from this year's appropriation to repay the drawdown.

It is my understanding that the \$300 million drawdown will only be used in time of great emergency, and that because of the repayment provision it would not be to the administration's advantage to use it so long as there are unprogramed military assistance funds available.

The Senator spoke of \$1,850 million. The effect of the Senator's amendment, which would probably force the President to use his drawdown authority this year, would be that the President next year would have only \$1,400 million instead of \$1,700 million, assuming that Congress should provide a full authorization.

Mr. ELLENDER. If he saw fit to use \$300 million, the Senator is correct. Furthermore, the transfer authority in the authorization bill would permit the President to divert up to 10 percent allocated for economic programs to the military assistance program.

Mr. SALTONSTALL. I believe the Senator is correct in his statement. During the first year the \$300 million could not come out of the contingency fund, and if it were drawn out of the stocks, it would be cut out of available funds next year, if all the other military assistance were programed.

Mr. ELLENDER. That situation could be met next year when we reconvene. If the money is needed then we can appropriate it at that time. But the point I was trying to make is that for the current fiscal year the President will have more money for military assistance than we allowed last year.

Another point I wish to emphasize to my good friend from Massachusetts is that the carryover has increased by over \$200 million from fiscal year 1960 to fiscal year 1961.

Mr. STENNIS. Mr. President, sometime earlier in this session when this question arose in connection with the military aid part of the authorization bill, I voted in favor of an amendment that would reduce the amount, not then having had an opportunity to make the kind of special study that, even though it was hurried, I have made since then, in connection with the problem. My study was made partly through the staffs of the Committee on Appropriations and the Subcommittee on Preparedness, entirely independent of anyone in the military or anyone charged with responsibility in connection with this program.

As a result of the study I am compelled to oppose our good friend from Louisiana, who does such magnificent work, and I shall urge the Senate to retain in the bill the item in the amount the committee recommended.

Mr. KUCHEL. Mr. President, will the Senator yield?



Mr. STENNIS. I yield to the Senator from California for a request.

Mr. KUCHEL. Mr. President, the minority leader deems this debate an extremely important one. He has requested that the absence of a quorum be suggested, so that Senators might listen to the able Senator from Mississippi and other Senators discuss this amendment. Under the circumstances, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MONROE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Continuing to address myself to the pending amendment of the Senator from Louisiana, which pertains solely to the direct military assistance program, I emphasize the fact that it pertains solely to money that is intended to be used to buy military hardware and to pay for some military construction projects and to buy some spare parts, aircraft, and related matters for the countries we are assisting under the military program.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. HOLLAND. Would the Senator mind placing in the RECORD at this point the amount which Congress has appropriated for these same objectives, for our own use in our own defense setup; that is, military appropriations both for operation and for construction?

Mr. STENNIS. I do not know that I have available those figures at the moment. The amount is approximately \$40 billion.

Mr. HOLLAND. My recollection is that the total of the operation and construction program is close to \$46 billion or \$47 billion.

Mr. STENNIS. Yes, if we include direct related matters which are actually a part of the military program, even though not in the military bill, it will total around \$46 billion.

Mr. HOLLAND. Will the Senator yield further?

Mr. STENNIS. I am glad to yield.

Mr. HOLLAND. That amount is to be considered against the portion of the pending appropriation bill which relates to defense assistance to our allies and which totals less than \$2 billion; is that correct?

Mr. STENNIS. That is correct. Furthermore, in the bill as a whole—I want to be frank about this in the very beginning—pertaining to some major features of it, there are sums of money for loans and other assistance that are above and beyond what I think they should be, and I still reserve my right to vote in opposition to the bill as a whole, if the figures come in. I am speaking now of the military program, which I have already briefly outlined.

Only this morning I heard on the world news broadcast that former President Mendares, of Turkey, had been

convicted and sentenced to death. Unless that sentence is commuted in some way, it is possible that he may be executed within less than 24 hours. Only 5 years ago this month—and I think it might even have been 5 years ago this week—along with the Senator from New Mexico, [Mr. CHAVEZ] and other Senators, I spent an hour and a half in the office of President Mendares, talking to him about this very program. Turkey was then one of our main allies, up against the Soviet border. Turkey is still dependent upon us, is considered to be one of our major allies, and is still up against the Russian border. Only yesterday the United States landed 1,500 troopers on a Turkish base, Adana, which we built in 1953 or 1954. I use that situation as an illustration. No one knows exactly where we stand in reference to this program. No one knows exactly how much money should be put into it or withdrawn or exactly where the line should be drawn. Certainly conditions are more unsettled now than they were in January, when this budget came to us. At that time the amount recommended for this particular item—and I think I have the correct figures—was \$1,885 million. The authorization bill for this year provided only \$1.7 billion. The effect of the Senate committee's recommendation will be to allow the \$1.7 billion provided in the authorization bill.

In the past several weeks, although I have not made a thorough, exhaustive study of the military program, I have, with the assistance of staff members, examined some of the new phases of the program. I am convinced that under present conditions, even though we do not know exactly how much may be needed or where the line should be drawn, we would be making an error to assume now that the funds would not be needed for the 10 months remaining in the current fiscal year.

One of my main reasons is that 80 percent of the money in this category will be applied directly to the purchase of hardware and military assistance for nations on the periphery, the edges, the fringes, near the borders of the Soviet Union, our adversary. I repeat that for emphasis: 80 percent of the money will be spent or planned for expenditure in countries on the periphery, on the borders adjacent to the Soviet Union, our adversary.

Something has been said about Pakistan. I have never visited that country, but I have heard many military men—some of them considered the best military minds of this century, whose names are household words in America, men who have proved records—and one of the more recent ones was General MacArthur—say that they considered the well-trained soldier of Pakistan without a superior anywhere in the world as a fighting man when he is trained and equipped. He did not say all of them were, but he was talking about a particular type of man. He said that their armies are ready to go.

The overwhelming reason why I think the position of the Senate committee should be sustained on this item is that by far the greater part of the money—

I cannot give the exact figures because that is a secret—will go to countries in four of the key areas around the world where we must continue to have control.

One of them is Formosa. What Senator would advocate that we abandon our position in Formosa? We have spent huge sums of money there. I think we shall have to continue to spend large sums of money there for years to come, or abandon our position. Who wants to do that?

Another major item which would be affected in the amendment now pending is military aid for Korea. Who wants to change our position in Korea? Even those who believe we made a mistake in going into the Korean war would not wish to do that. I do not know of any Senator who would propose that we pull out of or weaken our position in Korea. It is one of those spots which we have entered to maintain our policy and position, so we must remain there.

I was able to get in touch with General Magruder, who is now retired. He is one of our great soldiers. I visited him 2 years ago. His frankness was refreshing. He said that even if Korea were able to triple its economic resources and production, still South Korea itself would not be able to afford to equip itself with the necessary military forces to defend itself. Not more than 20 percent is needed for the military strength to defend that position, but South Korea herself could not support such an army, even if we tripled her economy. That is what convinced me. General Magruder had been there some 2 years ago. South Korea is one of the spots which we will have to continue to maintain, so long as it is our policy not to yield in the Pacific.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I am glad to yield.

Mr. ELLENDER. The Senator stated a moment ago that my amendment would affect the military strength of such countries as Turkey and Korea. The Senator knows that the appropriation measure before us today is global; it does not appropriate funds for specific countries.

Mr. STENNIS. The Senator is correct.

Mr. ELLENDER. Funds can be shifted from month to month from country to country. For example, the huge amount of military assistance in the pipeline could be directed to South Korea or to Formosa or any other area of the world if the military saw fit to do so. The Senator will agree to that, will he not?

Mr. STENNIS. That is true; it is possible to do that.

Mr. ELLENDER. So my amendment would not affect any country specifically.

Mr. STENNIS. I disagree with the Senator in this way: It would reduce the sum available for all the countries together. My point is that there are four places in the world—I shall name the other two—which we must maintain at all events, as I see it. I hope we may do so for less money, but I am not convinced that we can do it for less money. That is why I say we had better include this money in the bill.



Mr. ELLENDER. Does the Senator agree that we do not need to continue to spend a little less than \$100 million, which is provided in the bill for Japan? Does the Senator believe that we must continue to send military assistance to Western Europe? The Senator will also agree, I am sure, that under the bill the President would be authorized to sell military hardware to those people. That is provided for in the bill. In other words, no other country would suffer if the amendment were agreed to; but the United States would suffer if it were not adopted.

Mr. STENNIS. I appreciate the Senator's remarks. I shall cover those points in just a moment.

Mr. SALTONSTALL. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. SALTONSTALL. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. SALTONSTALL. I appreciate the position of the Senator from Mississippi, because he has always been reluctant to vote for larger appropriations for military assistance. I wish to ask whether his understanding is similar to mine, namely, that the total amounts for the western European countries have been reduced from 33 percent to 22 percent at the present time, as compared with previous requests, so that, as the Senator from Mississippi has said, 80 percent of this item goes to countries on the rim of the Soviet Union.

Mr. STENNIS. Yes.

Mr. SALTONSTALL. It is my understanding that if the amendment of the Senator from Louisiana were adopted, practically the entire cut which would be made by means of his amendment would be made in the funds for force improvement items and spare parts and accompanying items. I shall not discuss the details, because we cannot do that openly; those are "closed" matters. But, in short, adoption of the amendment of the Senator from Louisiana would mean less modernization, would it not?

Mr. STENNIS. Yes.

Now let me mention the fourth and the fifth items which loom so large in my mind.

The fourth is Greece. Greece is a proud and noble country; and, in addition, Greece is in so strategic a position, that the western world must support her, regardless of the cost. Inasmuch as the people of Greece and the Greek economy cannot now carry that load, and I do not believe they will be able to do so during our time, we must act realistically in the face of that situation.

Mr. PASTORE. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. PASTORE. I wish to congratulate the Senator from Mississippi. In my humble opinion he is making one of the most significant contributions in the discussion of the measure now before the Senate. It is unfortunate that the attendance of Senators in the Chamber at this time is not larger, in order that all Senators may have the benefit of his statement.

The important point is that if such help as is covered in the bill is not pro-

vided by us, we shall have to send, instead, American troops. It is clear that we cannot afford to lose such bastions throughout the world. They safeguard not only our own interests, but also the peace of the world. It is a matter of money now—or men later. Is it not true that if such cuts are made, we shall be compelled to replace them by sending American troops to various parts of the world?

Mr. STENNIS. Yes; and I state frankly that these areas must be defended.

Mr. PASTORE. It seems to me that the weightiest argument which could be made in defense of the position of the Senator from Mississippi is to cite the fact that if there is any Member of this body who has the reputation of not being a free spender, one who balances cost and accomplishment, it is he. Furthermore, no Member of the Senate can speak with greater authority on this subject, because the Senator from Mississippi is chairman of the Preparedness Subcommittee of the Armed Services Committee.

Mr. STENNIS. I thank the Senator very much.

I hope that by next year we shall have a more complete picture, with the aid of the staff of the Preparedness Subcommittee—and considered entirely apart from any partisan approach by the military, the administration, or anyone else.

Mr. HOLLAND. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. HOLLAND. The Senator from Mississippi has referred to Greece and Turkey, and I am glad he has done so. I am reminded that ever since shortly after the time when he and I first came to the Senate—a good many years ago, now—and ever since the administration of President Truman, all three Presidents have had the fixed, established policy, in connection with our defense and foreign relations programs, of sustaining Greece and Turkey at all costs. So I ask the distinguished Senator from Mississippi—and I join my colleagues in their encomiums of his speech and of his position and of his learning in this field—

Mr. STENNIS. I thank the Senator from Florida.

Mr. HOLLAND. I ask him if it is true that at the time of the adoption of the Greek-Turkish program, so many years ago, Greece was on the point of collapse, and only the help given by our country, which has continued to sustain Greece since that time as she has grown stronger and stronger, averted collapse of the Greek economy which at that time was so imminent.

Mr. STENNIS. The Senator from Florida has expressed the matter very well, as he always does. It was one of the great days in the history of the United States when our country went to the rescue of that area of the world—not only Greece—and did so in time to avert complete collapse there, for I am entirely satisfied that otherwise all of that area would have been taken over.

I see on the floor at this time the distinguished Senator from Virginia (Mr. ROBERTSON). One of the most treasured

memories I have is that of the Senator from Virginia standing on the Acropolis. As he stood there, I was strongly impressed with how well his classic features matched the majesty of that shrine. We were there in 1949; and I have vivid memories of what we found, and also I well recall the changes which have occurred since then and the turn of events. I share with him the conservative fiscal position the Senator from Rhode Island has mentioned; and I feel that he shares with us—regardless of how he may vote on the pending amendment—the conviction of the absolute necessity of defending Greece and that area of Europe.

Mr. ROBERTSON. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. ROBERTSON. I appreciate very much the kind tribute paid by the distinguished Senator from Mississippi.

Of course I recall our visit to Greece. Over the opposition of one of the outstanding editors of Virginia, I had supported the Truman-Marshall program of aid to Greece and Turkey; and I remember how grateful the Greeks were when we were there in the fall of 1949. But during that trip—and we visited 14 European countries, to study the operation of the Marshall plan—we found, and I know the Senator from Mississippi also recalls this very well, that the rank and file of the people there did not know that the help was coming from the United States; and we found that much of it was being used by politicians to keep themselves in office.

When we returned, I recommended that the fund be cut by \$1 billion; and Congress took that action.

In recent years I have been much disturbed over a continuation of what I felt was inefficient management of the fund and perhaps overindulgence of our NATO allies. The Senator from Mississippi will recall that we tried tactfully, in our report on our defense bill, to call on them to match our contributions to NATO, because, I say with all due deference, we did not feel they were doing their part.

The Senator has referred to the troops of Pakistan. In October, 3 years ago, I had the privilege of having lunch with the commander in chief of the Pakistan army. I never saw more superb troops in all my life.

Incidentally, of course about 10 days later he took over the government; and he is quite an operator. But he has an army which I think would match in skill and courage the Turkish Army, and certainly there are no braver soldiers in all the world than the Turks.

In view of my feeling that we had been extravagant in our foreign aid and that we were not getting value received for all of it, I voted against the authorization.

Will the distinguished Senator from Mississippi state for us the nations which will be hurt if the pending amendment is adopted, with the result that the appropriation for military aid will be cut; and will he also state why it would not be appropriate for us to provide that the \$300 million carryover, which constitutes a reserve in this fund from the appro-



priations made last year, shall now be used as current appropriation funds, to obviate the necessity of making the additional appropriation the President has requested?

Mr. STENNIS. The \$300 million item has already been discussed. The Senator from Louisiana has referred to it as the drawdown item. As the Senator from Mississippi understands the item, it is authority for the President to borrow from next year's program to the extent of \$300 million. I wish to make clear now that it is my understanding that that step is not to be taken unless there is a real emergency beyond that which we are now in and that which is reasonably anticipated.

Mr. ROBERTSON. So the fund is not a reserve; it is for the privilege of anticipating an appropriation that is not yet in being.

Mr. STENNIS. That is correct. The situation is more or less similar to that of board of supervisors or a board of commissioners being permitted to anticipate next year's revenues. It is put on the basis of a superemergency.

This brings back to mind a thought I have had, that the figures we are dealing with were set before the Berlin crisis arose. I believe the words "Berlin crisis" are more than a mere phrase or terminology. Things are becoming shaky there. This morning's news stated that Soviet planes were "buzzing" airliners going to Berlin. Such a possibility has been anticipated for 10 days or more. It can mean more "incidents." I am not trying to put out "scare" stories. I am not frightened by the situation, but it is serious.

I wish to make a fifth point. A part of the appropriation provided in this part of the bill, and which we are not at liberty to discuss on the floor, has to do with Vietnam. I shall be frank with the Senate. I do not want to send many of our troops into that area of the world, but I have tangible evidence that we are getting better results there. We have a new approach. There has been a change in planning and tactics with reference to the use of military aid there.

I think it is much more down to earth. The facts have proved that the aid is certainly more effective. I hope this heralds a new approach and a new day in efforts to cope with problems of guerrilla warfare in that part of the world by elements which have been gaining on the natives, and therefore gaining on us. A sizable sum of this money will go there, and this program is a forerunner, I hope, of a better day. That fact was influential with me in this particular connection.

The rest of the money will go to countries which perhaps, if it were left to my own analysis, I would not regard as the planners do. I refer to some of the Scandinavian countries, but the planners may have reasons that I do not know about. A relatively small sum of money is involved.

I agree with the Senator from Louisiana about the size of our forces in Western Europe. We pay the expenses of maintaining the military, their families, and everything else. If the present

crisis can pass in part, I personally think we could get along with less manpower and fewer men in our own armies. That is where the really big money is going. But I do not think we can better our position by slowing down in military programs in countries where they have been at least partly effective.

With reference to the spending of money for military hardware, our military men have done a better job than have the civilian authorities who have handled the other moneys provided for in the aid program.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. STENNIS. I am about through. I am happy to yield.

Mr. COOPER. During the past several years I have voted to reduce the amounts for military aid. The reason I did so was that I thought money had been wasted, and I had heard, that our training program in countries in Asia, such as Vietnam and Laos was not effective. Recent news has proved that point, because in Vietnam and Laos, where guerrilla fighting is employed, it has been shown that our programs had not properly trained the forces in those countries for the type of guerrilla fighting needed.

I think the Senator will agree with me that, if military aid is to be continued, it should be demanded that military advisers take heroic measures to improve the type of training, and make it applicable to the military needs of the countries we aid.

I should like to have the Senator's comment on that statement.

Mr. STENNIS. I had just stated that, according to my information, there has been a change of approach and tactics. I do not know that we could bring too much of it out on the floor of the Senate. I wish I could. A better approach has been taken with respect to coping with guerrilla warfare tactics used by other side in those areas.

I very sincerely believe that, with the aid of the equipment being sent there, much better results are being obtained by the local troops. Our troops have not been sent into those areas. I hope this new approach is a forerunner of an improved situation elsewhere in Asia.

Mr. COOPER. I was glad to hear the Senator raise the question, and to hear his comments. For there has been something radically wrong when our military advisers throughout these years did not provide the most effective training in the countries we have aided.

I agree with other Senators who have spoken that no Member of this body speaks with greater authority or objectivity upon military aid than the Senator from Mississippi, Senator STENNIS. When the authorization bill was before us, I voted to reduce the military aid \$250 million, but I shall vote against a cut, and to retain the amount proposed by the committee. I believe we are now in the greatest military crisis and perhaps the greatest period of danger since the Berlin blockade. There is greater danger than during the Berlin blockade because of the increased strength of the Soviet Union. It would be a grave mis-

take if we did anything such as the proposed cut to indicate that we were not maintaining our strong determination to aid our allies throughout the country, and to defend our country.

Mr. STENNIS. I appreciate the logic of the remarks of the Senator from Kentucky. The military money provided in the bill is the most effective provision in the bill.

Much of the criticism of the Senator from Louisiana with reference to the spending of military money is well taken, but I believe that most of the money the Senator is referring to was spent under what we called in the old days the military support program, rather than for military hardware. The military support program as a separate item is eliminated from the bill, although, under the President's emergency fund, he would be authorized to spend the funds, if he saw fit, for categories formerly called military support.

It certainly does put the burden on the executive branch of the Government for making the direct decisions.

Mr. President, I shall not detain the Senate long. I wish to read a few of the unclassified items for which the money will be spent. These are to be found on page 73 of the Appropriations Committee side slips.

Spare parts. There are spare parts of all kinds for military instruments and weapons.

Training ammunition, repair and rehabilitation of equipment.

Under "Other items" are listed aircraft, ships—small ships, of course—tanks, vehicles and weapons, missiles, electronics and communications, special programs, and items for construction.

Mr. President, these are the hard bottom military hardware items which go to the very essentials of an effective military program.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. On the next page of that same memorandum I notice the countries which apparently would receive the hardware. The first list of countries includes Belgium, Luxembourg, Denmark, France, Germany, Italy, the Netherlands, Norway, Portugal, the United Kingdom—I shall skip over some which seem to have more justification—Ethiopia, Liberia, Libya, Mali, and Morocco.

I wonder if we can justify giving military hardware as assistance to these countries, most of which are quite prosperous and most of which are quite prosperous in many cases and in almost all cases are doing far better than the United States in terms of balancing their budgets and in terms of rising standards of living. These are not loans we are considering, and under such circumstances how can we justify grants to those countries?

Mr. STENNIS. The Senator is referring to a list of countries on page 74, possible recipients of aid. No amount is given.

Mr. PROXMIRE. The Senator is correct.



Mr. STENNIS. I have seen the list of those countries with the proposed amounts they will probably receive. Those figures I saw were based upon a larger budget figure than is in the authorization bill.

I wish that information were available. I am sure the Senator can see it in the Appropriations Committee. I wish we could bring that out in the debate.

Some of those countries perhaps are listed for larger sums than would be proper, in my judgment, if I were passing on the question as a whole.

There may be some special circumstances involved, about which I do not know. For instance, a country like Denmark, which is on the list, is very prosperous, to a degree. If in the military structure, because of the geography of the country or strategic location, the country is assigned or will have to carry an unusual part of the burden, the aid would be justified, in spite of the prosperity. That is the situation in Greece, because of the location in that area of the world, which makes it necessary to send shipments to Greece in the military program.

The same reasoning would apply to some of the Scandinavian countries.

Mr. PROXMIRE. Certainly with respect to Denmark—and absolutely with respect to Germany and France, as well as other countries—the country should be able to well afford to pay for what is needed. On the basis of the record, while Denmark is a fine and noble country with splendid people, the fact is Denmark could not put up any resistance in the event of an invasion, and would fall in a matter of hours, not even days, in a conventional war, to say nothing of a nuclear war.

I should like to skip down on the same page. Virtually every Latin American country is listed: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela.

All of these countries apparently will receive some hardware and some of the assistance.

Mr. STENNIS. Yes.

Mr. PROXMIRE. We had a very sad experience in giving military hardware to Batista in Cuba.

Mr. STENNIS. Yes.

Mr. PROXMIRE. Batista was an anti-Communist. But that program did not stop communism. Now there is a Communist government of Cuba.

Mr. STENNIS. Yes.

Mr. PROXMIRE. When Mr. Dulles testified before the Committee on Foreign Relations 2 years ago with regard to providing jet planes to South American countries, I recall reading the statement that it was a matter of diplomatic and political advantage to some of these countries, which did not feel they were first-class powers unless they had a jet air force.

Unless we can justify the program in terms of resistance to communism, I do not see how we can possibly justify this

kind of imposition on the American taxpayers.

Mr. STENNIS. The Senator makes a very fine point. I do not think anyone could give to the Senator or to the American taxpayer any guarantee as to the program or where the line should be drawn and how much we should give, if anything, to X country. It is a question of something needing to be done on the affirmative side.

I hope and pray that the programed step-up in Latin America will be effective. There are many, many problems, as conclusively shown by what has happened in Cuba. We may not be able to do anything, but at least we shall try.

Mr. PROXMIRE. Is it not true also that this kind of arming of one South American country results in another neighboring country having to be armed, because of the balancing relationship and the quarrels and fights these countries have among themselves?

Mr. STENNIS. I am glad to yield to the Senator, but I should like to yield the floor, so that other Senators may speak.

I have one other point, Mr. President. The hardware to which we refer is composed of first-class military items, but a great deal of it has already been used by our military forces and is being replaced, for our troops, with more modern weapons. In this way, we have an outlet for much of our used military material and are able to keep our own troops better supplied militarily.

Mr. President, I yield the floor.

Mr. KUCHEL obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may yield to my able colleague the majority leader without losing my right to the floor.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, in behalf of the distinguished minority leader and myself, after discussing the question with all interested Senators available, I ask unanimous consent that at 12:30 o'clock the vote be taken on the pending amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is ordered.

Mr. MANSFIELD. And, Mr. President, I ask unanimous consent that the time be equally divided and controlled by the Senator from Louisiana on the one hand and by the majority leader on the other.

Mr. KUCHEL. With the understanding that the time will be controlled after I conclude my comments?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. KUCHEL. Mr. President, we now deal with the question of U.S. military assistance to free nations when the Presi-

dent determines such assistance will strengthen the security of our country.

The Congress earlier this year authorized precisely that kind of assistance when it enacted Public Law 87-195. Thus, it continued an indispensable defense policy. In sections 503 and 504 of the present law are found the provisions for the general authority. I ask unanimous consent that the texts of those sections be set forth in full in the RECORD.

There being no objection, the sections were ordered to be printed in the RECORD, as follows:

SEC. 503. GENERAL AUTHORITY.—The President is authorized to furnish military assistance on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the United States and promote world peace and which is otherwise eligible to receive such assistance, by—

(a) acquiring from any source and providing (by loan, lease, sale, exchange, grant, or any other means) any defense article or defense service;

(b) making financial contributions to multilateral programs for the acquisition or construction of facilities in foreign countries for collective defense;

(c) providing financial assistance for expenses incident to participation by the United States Government in regional or collective defense organizations; and

(d) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature, including those related to training or advice.

SEC. 504. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal years 1962 and 1963 to carry out the purposes of this part, not to exceed \$1,700,000,000 for each such fiscal year, which sums shall remain available until expended.

(b) In order to make sure that a dollar spent on military assistance to foreign countries is as necessary as a dollar spent for the United States military establishment, the President shall establish procedures for programing and budgeting so that programs of military assistance come into direct competition for financial support with other activities and programs of the Department of Defense.

Mr. KUCHEL. In a word, those sections of the present law provide that \$1.7 billion for the present fiscal year 1962 and for fiscal year 1963 may be utilized for military assistance when the President determines it is in the interest of our country to give such assistance.

Section 510 of that same law provides for a special authority, and particularly, that during the fiscal year 1962, the President may, if he determines it to be vital to the security of the United States, utilize additional defense stocks not to exceed the amount of \$300 million.

Before the Senate is an amendment to cut military aid in the appropriation in the pending bill by \$150 million below what we authorized last month, which I would describe as regrettable. It is true that last month, on August 15, the Senate reduced the authorization for military assistance by \$500 million, after refusing to cut the amount a day earlier by \$1 billion. I think it made a mistake



in doing so. But in conference the figure of \$1,700 million was agreed upon. What is sought to be done by the Committee on Appropriations in the bill now pending is to appropriate the full amount which Congress authorized 1 month ago to be appropriated.

What events have transpired in the ensuing 30 days to make it in the interest of the security of the American people to cut military assistance? In the intervening days, the situation in Berlin has worsened materially. In the intervening days, the Soviet Union has detonated many atomic blasts in the atmosphere. Only this morning I read on the news wire that Tass announced that yesterday Russia had fired a new and more powerful multistage rocket more than 7,500 miles into the Pacific Ocean. Incidentally, Tass described the test as successful, and indicated that the test had fully conformed with the set program of the Soviet Union. Meanwhile, our Government intends to retain the superiority of our own nuclear arsenal, and to increase its efficiency.

When the present appropriation bill was in the House of Representatives a few days ago, some Representatives desired to cut the amount of money which the bill provided for military assistance. At that time, from Gettysburg, came a statement from former President Eisenhower. General Eisenhower said:

These slashes are incomprehensible to me, especially in light of present world tensions.

He said:

I am gravely concerned to learn that after the long struggle over the financing method to be used in connection with the mutual security program and after we receive assurances on the part of Democrats and Republicans of continuing support of the program itself, an attempt is now under way to slash the program's appropriation.

It is my understanding that the House Appropriations Committee has recommended some \$700 million below my own annual estimates of last January, and some \$900 million below the authorization approved only recently. These reductions strike most heavily, it appears against such programs as military assistance and what was formerly known as defense support.

These slashes are incomprehensible to me, especially in the light of present world tensions. I am sure that the large majority of thinking American citizens, Democrats and Republicans alike, will join me in urging vigorous support of efforts to remedy the damage that would result from these reported committee recommendations.

General Lemnitzer, the distinguished American Army general, spoke out in favor of military assistance. He said, in part:

The Joint Chiefs of Staff regard the two programs as complementary. While the program cannot be precisely compared, we believe that dollar for dollar we do get a greater amount of defense through this program than we could get by putting an equivalent amount of money into our own defense programs.

He was asked a question by a Member of the House of Representatives:

In other words, you defend this part of the mutual security program budget as ardently as you defend the defense budget of the United States?

General LEMNITZER. I do.

These are the voices of great Americans, skilled in the complex questions—and the supremely important questions—of the security and defense of the American people. They constitute, in my view, irrefutable testimony against the amendment before us.

I was interested in the comments made by the distinguished chairman of the Committee on Appropriations, the dean of the Senate, the Senator from Arizona [Mr. HAYDEN] who when mutual security was before the committee, as shown on page 151 of the hearings, said in connection with our military assistance from 1941 through 1960:

During this period the United States has spent, on our Armed Forces, approximately \$407 billion, \$24 billion for the military assistance program and an additional \$1 billion for the International Cooperation Administration direct forces support program. In other words, our total expenditures for military functions and assistance has been 94 percent for national security and 6 percent for military assistance for our allies.

During this period we have supplied military assistance to the NATO countries in the approximate amount of \$16.4 billion. The European NATO countries, during this same period, spent from their own budgets, a total of about \$126 billion on their own defense departments. Percentage-wise, their expenditures amount to 88 percent, whereas we gave them 12 percent. The United States thus has made available, for the forces of our NATO allies, approximately \$1 in military aid for every \$7.7 spent for their military budgets.

I do not believe that anyone on either side of the Iron Curtain will for a moment deny that the North Atlantic Treaty Organization has successfully deterred Russian desires to overrun more of Western Europe. We have a stake in the freedom of the Western European nations.

I was most interested also to read the excellent testimony by the Honorable William R. Tyler, Acting Assistant Secretary of State, for European Affairs, speaking in support of our military assistance program. I ask unanimous consent, that his comments on this subject before the Senate Committees on Appropriations, which appear, starting on page 447, of the hearings be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. TYLER. The foregoing which I read to you I believe is an essential background to the contribution of the specific program which is now before you. Military assistance proposed for European country programs for the next fiscal year totals \$254 million. The total for NATO countries, including Greece and Turkey, is \$559 million. In addition, there are certain regional programs—infrastructure, NATO headquarters and agencies, weapons production and mutual weapons development—intended to support activities entirely or almost entirely within the NATO area. Including these regional programs, there is a total of \$719 million in military assistance programed for the NATO area. Because of the interim nature of the program this in fact represents a reduction of approximately \$280 million from the fiscal 1961 request.

The fundamental concept of combining the efforts of many, each by itself inadequate

but together representing a major force, is what underlies the NATO alliance. And central to that alliance has been the willingness of the United States to contribute its financial assistance as well as its military forces. The Congress, by appropriating about \$47 billion a year for our own Defense Establishment, has made clear its concern for adequate military defenses. The military defenses of our allies are equally vital and inseparable from our own. Our ability to deter and resist Soviet aggression does not depend on U.S. military power alone. The military assistance program for Europe proposes an amount less than 1 percent of our national defense budget to help our European allies attain a defensive capability which will make a substantial contribution to the defense of Europe and America alike. It would be unfortunate indeed if the United States spent some \$47 billion on its own forces and then failed to follow through with this much smaller amount toward strengthening the forces of our allies, which are essential to our total defense concept, and without which our military expenditures would have to be vastly increased.

Senator McGEE. You mean they would have to be increased more than by 1 percent?

Mr. TYLER. Yes, sir.

Senator McGEE. We are getting much more in your judgment?

#### VALUE OF INVESTMENT

Mr. TYLER. I believe, subject to what my military colleague may say, that this investment of money in the military aid program to Europe is an investment which produces returns in contributions to our defense which exceeds the value of the money actually put in.

I believe, Mr. Chairman, that when these simple facts about mutual security are generally and fully understood, there can be no doubt that the American people will respond affirmatively in meeting this important need.

Now, to turn to another matter which in my opinion is also too little understood; I refer to the demonstrated willingness of our stronger allies to assume a greater share of the common defense burden, and to play larger roles in helping the peoples of the newly developing lands in their struggle against the evils of poverty, disease, and illiteracy.

I hope, Senator, the information which you have requested will support this statement concerning the efforts made by European countries in increasing their aid to less developed countries.

#### INCREASING CONTRIBUTIONS BEING MADE BY NATO ALLIES

There is a widespread illusion in our country—even among some who are otherwise well informed—that only the American taxpayer is carrying a significant share of this expense. This is simply not true. The people of Britain, France, Canada, Germany, and Italy are all making large and increasing contributions. Moreover, the smaller the per capita income and the lower the consumption level of any country, the greater is the impact on that country's economy of the proportion of national resources devoted to defense purposes. We should not lose sight of the fact that a country with a lower gross national product may be making an equivalent, or even greater, sacrifice for defense through a smaller percentage of GNP allocated for defense than countries with a higher national income. The total of defense expenditures for the European NATO countries last year was \$14.4 billion, an increase of over 6 percent over 1959 and 18 percent over 1953. We should not ignore the fact that in 1953 the United States was paying about 25 percent of the total defense costs of our European



allies; today we are paying less than 5 percent.

Furthermore, except for a few prior commitments for specific military items, this program does not provide for military equipment on a grant basis to Britain, France, or Germany. For all other countries in Europe military grant aid is extended after careful examination to determine how the assistance can elicit a greater or more effective effort by the country itself. In addition, certain items such as spare parts and other conventional maintenance requirements of the European NATO countries, which were formerly covered by the military assistance program, are now financed for the most part by the countries themselves.

Mr. KUCHEL. Free peoples must stand together before the peril of Communist slavery. I repeat the old axiom, "In union, there is strength." Where we can give military assistance to a friendly nation, we ought to do so. Our own security is at stake.

Mr. President, the U.S. Senate today ought to reject with an overwhelming "nay" vote the amendment pending before us. We need demonstrate to the world we are not abandoning our responsibility. We shall play our part in the struggle for man's liberty.

The lights of freedom may well be dimming in some unhappy parts of this globe. Speaking for myself, I respectfully decline to take a chance, on any assumption that there may be two sides to this argument—an assumption which I reject and which I refuse to concede. I prefer to err, if err it be—and I deny that—on the side of the military establishment. I shall not overrule the President of the United States, the former President of the United States, the Secretary of Defense, or the Joint Chiefs of Staff. We must never plead guilty to the charge of too little or too late.

Mr. MONRONEY. Mr. President, I rise in opposition to the amendment of the Senator from Louisiana [Mr. ELLENDER]. I, along with many other Senators, have in years past, and even in recent votes, sought to reduce the cost of the military assistance program. I voted consistently, wherever possible, to emphasize economic aid and have hoped that military aid could be reduced.

However, the Senate in its wisdom and the House in its wisdom came to a conference agreement less than 2 weeks ago on the amount that is needed for the military assistance program. I believe a great deal of water has gone over the dam. A lot of nuclear fallout has been spread over the world since we considered, only a few weeks ago, the foreign-aid bill. Today I find it difficult—yes, impossible—to bring myself to vote for a reduction of the foreign military aid appropriation at this time. I strongly urge Senators, in all sincerity, to consider very carefully the reports of yesterday and the reports of this morning concerning the growing tensions that exist in Berlin before they support the gamble on reducing this appropriation.

None of us is naive enough to believe that Mr. Khrushchev, however intent he is on winning his point in West Berlin, is going to let West Berlin be the only focal point that will be under increasing pressure during this period of great tension. None of us believes that he will

not create other diversions along the thousands of miles of the perimeter of the Iron Curtain. We do not know where he will choose to do so.

It is true that we have lost ground in Laos, but we have sustained and improved our situation in Vietnam. Certainly there has been considerable waste in Vietnam; but now we are beginning to put in the kind of equipment that will help them to stand up against the Communist threat as we found the Malaysians were able to do, after some 5 years, against a similar threat in that peninsula of southeast Asia. All around this perimeter, as the Senator from Mississippi has said, we are trying to establish a strong defense against Communist aggression so that it may not smother freedom and black out the lamps of liberty.

A great deal has been said about the fact that around \$200 million of this fund will go to countries in Western Europe. I am not permitted to give the figures of the actual amounts involved—and I wish Senators could see the amounts that will go to these countries—but I will take the risk of saying that the countries in Western Europe that I consider to be world powers, the people who are economically and militarily strong enough to do without our aid, will get only a fraction of the \$200 million that will go into direct military assistance to Western Europe.

The rest goes to countries which, because of their size and small population and finely adjusted economies find it absolutely impossible to mount the kind of defense that would be necessary if military action starts.

I have studied these figures very carefully, and I can say to the Senate that these countries are getting a very small fraction of the \$200 million-plus. We must remember that we receive as a result of this expenditure the standardization of weapons and standardization of ammunition, the use of their communication system, the use of their land for our bases and for maneuvers, and the use of their very able officers, because they have some very brilliant military men, and all of these benefits would offset the \$200 million that will go to Western Europe.

In one sweep we appropriated five times this amount to give the President a new B-52 wing which he said he did not want and which the Defense Department said it did not need. I voted for it. I would rather be overarmed than underarmed. That is five times the cost of what is going directly to the NATO nations and to some of the West European nations that are not members of NATO.

I feel that we can ill afford, with the threat that is daily around us, to reduce at this time in history the funds which after careful consideration and adjustment have been approved by the House and Senate in the authorization bill.

I would hope that by giving the President of the United States and the Secretary of Defense, a very competent man, and the very able man who is managing our International Cooperation Administration, Mr. Labouisse, this ammuni-

tion, we might avert the necessity of having to use this force that we have so carefully built up.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. McGEE. By way of reinforcing what the Senator from Oklahoma said, I think it is important to note in the testimony before the committee the rising rate of contribution by our friends around the world in helping to defend themselves. I believe that is one of the hopeful signs in the change that is taking place, and it makes the point that this is no time to cut back in time of crisis.

Mr. MONRONEY. The Senator is absolutely correct. At page 155 of the hearings, the chairman of the committee, the distinguished Senator from Arizona [Mr. HAYDEN], the President pro tempore of the Senate, said:

I have figures here with respect to military assistance for the past 11½ years, beginning July 1, 1941, through December 1, 1960.

During this period the United States has spent, on our Armed Forces, approximately \$407 billion, \$24 billion for the military assistance program and an additional \$1 billion for the International Cooperation Administration direct forces support program. In other words, our total expenditures for military functions and assistance has been 94 percent for national security and 6 percent for military assistance for our allies.

Mr. President, this is buying insurance rather cheap. Perhaps the one or two divisions supplied by the small nations, which otherwise would have none in Western Europe, would not be able to hold very long. But one division here, a division and a half there, another division somewhere else, from some of the smaller nations, not more populous than one of our States, in addition to our six divisions in Western Germany, make a formidable military deterrent, trained, equipped, and well organized, even standing in front of the vast legions of the Red armies.

I hope we have enough conventional strength—and I pray for conventional strength—so that we will have some other response than thermonuclear warfare.

If we write off these divisions, if we pull out and spend less today than we spent last year, when the tensions were not so great, then by our weakness I think we encourage, unintentionally, but definitely, stronger action on the part of Mr. Khrushchev around West Berlin. This is not the time when we can gamble.

Important as it is to save \$150 million, if we can, \$150 million related to our defense budget of \$46 billion for this year is a minor increase, indeed, if it will buy the security we want. We should at least give the President ammunition. I feel he will use it frugally. I feel that the new administration both on the economic side and on the military side, will do much more to cut out waste.

We should not take a chance on weakening the program. I urge the program which the committee thought adequate and which would fulfill the request of the President, by the reinstatement of most



of the funds which were cut out by the House, so that in the cold war we will not be without ammunition, but will provide assistance to those nations which stand ready and able to assist us in a world that is threatened always—and only in the last few hours again—with atomic blasts and with Communist power.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Idaho.

Mr. DWORSHAK. Mr. President, every year, in the closing days of the session, under a cloud of hysteria, it is always emphasized that for psychological reasons we must go "all out" to prove that we are cooperating fully with our allies, particularly our NATO allies in Europe. I recognize, as do all Senators, that as we face the Berlin crisis, it is not a question of backing away from any responsibility, from making even greater contributions in every way toward solidarity and the strength of NATO countries; but I wonder if Senators whose hearts bleed for our European allies ever stop to realize that psychology is not a one-way street.

Throughout the United States today, psychology has caused a doubt in the minds of many Americans. Why? We are told that we are doing everything to help our allies in Europe. While we have provided dollars to strengthen their financial status, what are we doing with manpower? Everyone knows that almost every day he can read in the newspapers—I was trying to check a story I saw within the past few days—that additional thousands of young Americans, most of them drafted for military service, are being sent overseas to bulwark the military strength of NATO.

I have contended that we have been rendering a disservice to our allies as they read speeches which are motivated, largely, by a sort of hysteria. Why do we not ask our NATO allies to make contributions commensurate with those we have been making every year? I know that if one reads the testimony on foreign aid before the committee—and I presume there is but a handful of Members of the Senate who read the testimony; if more Senators read it, they would not make the speeches they do—

Mr. McGEE. Mr. President, will the Senator from Idaho yield?

Mr. DWORSHAK. I yield, but briefly, because the time is limited.

Mr. McGEE. The Senator from Idaho was one of those who faithfully attended all the hearings.

Mr. DWORSHAK. As did the Senator from Wyoming.

Mr. McGEE. He read the hearings, as I did.

Mr. DWORSHAK. Yes.

Mr. McGEE. He will recall that the testimony at those hearings contains a breakdown of the increasing rate, finally, of the contributions by the NATO countries. That is found on page 448 of the record of the hearings. It is pointed out by spokesmen that the total of defense expenditures by the European NATO countries last year was \$14.4 billion, an increase of 6 percent from 1959

and an increase of 18 percent from 1958; and that our own percentage of contribution to their defense, which was 25 percent in 1953, is now down to less than 5 percent.

Mr. DWORSHAK. I thank the Senator from Wyoming for that contribution. I point out that he has made no reference to manpower. The Senator from Wyoming knows, as well as I do, that although the original concept was to have 60 divisions in NATO, there have been about 21½ divisions, and even they have not been fully recruited.

The Senator from Wyoming knows, as well as I do, and as does anyone else who has followed the defense activities, that the NATO countries have glibly given us assurances. I cite the testimony of Major General Miller, a military expert with our forces in Europe. I asked him concerning manpower in the divisions of NATO:

Do the NATO nations appreciate that we are facing a Berlin crisis? Are they building up their forces?

He said:

Well, we have received some assurances from them.

Assurances for what? To be alerted a year after the Berlin crisis comes to a showdown? The Senator from Wyoming knows, as I do, that those nations are not building up their divisions.

The Senate and the American people owe a great debt of gratitude to the fearless, courageous Senator from Louisiana [Mr. ELLENDER], who for many years in the Committee on Appropriations and on the floor of the Senate has contended that NATO is largely a blueprint organization. Oh, Mr. President, I pray that it will not be necessary for us to become embroiled in a hot war to prove the accuracy and the truth of the arguments which have been made constantly by the Senator from Louisiana.

The President is the Commander in Chief. It is often said that none of us recognizes the responsibility which rests upon us. Let me call attention to a report made by the House on this bill, on page 2.

For the various categories this fiscal year \$10,609 million was made available; \$300 million was added on the floor of the House; \$600 million was added by our committee.

I think we should make a very humble confession that we are making available this year \$11,500 million for the assistance of our allies—\$11,500 million; not the \$4 billion which we are talking about when we consider the use of obligated, but unexpended, funds and foreign currencies and the amount we will add this year.

I wonder if any Senator will say that the American people are backing away from their commitments, when we provide not only \$11,500 million, but every week we are sending additional thousands of young Americans in uniform to serve abroad. I think that is a record we should be proud of, rather than stand here and abjectly claim that we are not doing enough for our allies.

So, Mr. President, the American people are faced with a psychological situation,

as they are apprehensive in regard to what may happen in Berlin during the months which lie ahead, because they know that our NATO allies do not sufficiently realize what a real crisis we face. They have not "beefed up" their divisions made available to NATO commanders in Europe.

Mr. MUNDT. I suggest that the Senator place in the RECORD the breakdown of the \$11 billion.

Mr. DWORSHAK. I do not think I shall do that, because it seems that there is a desire by some not to have the Members of the Senate become fully aware of the facts; some desire that hysteria and psychological reasons dominate.

Mr. MUNDT. But many studious-minded people in the country read the CONGRESSIONAL RECORD, although they do not have access to the committee report. The breakdown is in the report, and I believe it should be placed in the RECORD, so that the people can understand how these figures are arrived at.

Mr. MONRONEY. Mr. President, will the Senator from Idaho yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Idaho yield to the Senator from Oklahoma?

Mr. DWORSHAK. I yield briefly.

Mr. MONRONEY. Does not the Senator believe that if the American forces should have the misfortune of being called upon to fight in Europe, it would be well to have the NATO divisions well trained and well equipped, in order to be able to hold the flank? I recall how the collapse of the French army on the flank, during World War II, resulted in the virtual entrapment of the British Army. So I believe it would be well to have the NATO troops well trained and well equipped, so as to be able to hold the flank.

Mr. DWORSHAK. Of course I agree. But the present situation there would not have developed if our NATO allies had measured up to their responsibilities. However, because they have not done so, we are now facing this emergency.

Mr. McGEE. Mr. President, will the Senator from Idaho yield to me at this point?

Mr. DWORSHAK. I am sorry I do not have time now to yield further.

I wish to refer briefly to the testimony of William Tyler, Deputy Assistant Secretary of State for European Affairs. I asked him a question, and here is his reply, as set forth in the hearings:

Mr. TYLER. Despite the progress noted above, we recognize that a number of the NATO countries are capable of doing more toward meeting their defense requirements than they are now doing or plan to do. We are continually urging them bilaterally and in NATO to greater efforts, and in this we have had some success. However, the problem is more than a financial one. Despite serious efforts of European governments to devote a larger share of national resources to defense, certain inhibiting factors such as latent neutralism—

I am sure my colleagues have heard about neutralism at the recent Belgrade conference in Europe.

So Deputy Assistant Secretary of State Tyler said:



Despite the progress noted above, we recognize that a number of the NATO countries are capable of doing more toward meeting their defense requirements than they are now doing or plan to do. We are continually urging them bilaterally and in NATO to greater efforts, and in this we have had some success. However, the problem is more than a financial one. Despite serious efforts of European governments to devote a larger share of national resources to defense, certain inhibiting factors such as latent neutralism in elements of the public and widespread demands for social and economic programs often prevent these governments from developing their military establishments in consonance with their NATO responsibilities.

I did not say that. If I had said it, I am sure the Senator from Minnesota would not believe it. But when that is stated by the Deputy Assistant Secretary of State for European Affairs, I hope the Senator from Minnesota will accept what he has stated, that it is apparent that our NATO allies have not done all they could, because they are more interested in dealing with domestic problems.

Mr. HUMPHREY. Mr. President, will the Senator from Idaho yield?

Mr. McGEE. Mr. President—

Mr. DWORSHAK. I yield briefly to the Senator from Minnesota.

Mr. HUMPHREY. I appreciate the courtesy of the Senator from Idaho in yielding to me. I have been a patient and interested listener. But now that I have been called into the fray, I suggest that the Senator from Wyoming might wish to read into the RECORD the rest of the part of the hearing to which the Senator from Idaho has referred.

Mr. DWORSHAK. So far as I am concerned, he can place the entire hearing in the RECORD.

Mr. HUMPHREY. No doubt. But I suggest that the complete statement at that point be placed in the RECORD, rather than to quote part of it out of context. If the complete statement is placed in the RECORD, I am sure it will be found that its meaning is different from that that the Senator from Idaho indicated.

Mr. DWORSHAK. Mr. President, I took nothing out of context. I did not place in the RECORD all of the testimony on NATO that was taken at the hearings, of course.

Mr. McGEE. But what the Senator left out is the significant part.

Mr. DWORSHAK. Then let the Senator from Wyoming place in the RECORD any part of the hearings he may wish to place in it.

Mr. McGEE. Will the Senator from Idaho yield to me at this time, so that I may read the full statement? He read only the first part of it.

Mr. DWORSHAK. Yes; I shall yield, because the excerpts from which I have been reading were not prepared by me, but were prepared in my office. So I shall be fair, of course.

Mr. McGEE. As appears on page 454 of the hearings, Mr. Tyler further testified as follows:

But even under the most optimistic estimates of the real possibilities for increases in European defense efforts, a significant gap between NATO minimum essential requirements and what can be done by the European

NATO countries remains. I believe that it is in our own national interest to continue substantial military assistance to present NATO recipients on a selected basis, continuing to carrying out the programs so as to elicit maximum feasible effort from the aid recipients themselves.

Mr. DWORSHAK. I have that part of the hearing included in my remarks. I did not read it, for I was about to ask unanimous consent to have it printed at this point in the RECORD.

Mr. McGEE. I realize that the Senator from Idaho wishes to be fair.

The PRESIDING OFFICER. The time yielded to the Senator from Idaho has expired.

Mr. ELLENDER. I yield 1 more minute to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 1 more minute.

Mr. DWORSHAK. The next sentence in Mr. Tyler's testimony at the hearing reads as follows:

But even under the most optimistic estimates of the real possibilities for increases in European defense efforts, a significant gap between NATO minimum essential requirements and what can be done by the European NATO countries remains.

And so forth. That will be placed in the RECORD.

Mr. McGEE. The full paragraph?

Mr. DWORSHAK. Yes; and I am glad the Senator called my attention to it, because I do not have time to read all of the testimony concerning NATO.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD these excerpts from the hearings, dealing specifically with NATO.

There being no objection, the excerpts from the hearing were ordered to be printed in the RECORD, as follows:

Senator DWORSHAK. At this point may I ask for some data concerning the manpower status of the NATO alliance. We have talked about the gross national product. We have talked about the greater dollar contributions to the common defense effort. Can you give us a brief rundown on whether our allies are providing essential manpower, notwithstanding the fact that we have about 266,000 Americans in our uniform abroad. Is that about the right figure?

Mr. TYLER (Deputy Assistant Secretary of State for European Affairs). The United States has a ratio of 1 to 78 men in the armed services of the total population. France, 1 to 50. Greece, 1 to 52 ratio. Turkey, 1 to 58. All of these countries have higher ratios than we do. Some of our allies are not far off. Belgium, 1 to 82; Netherlands, 1 to 86. In other words, some of our NATO partners have put as many men on a comparative basis into the armed forces as we have. Some of the other of our allies do not show up as well, but it must be recalled that in certain countries such as the United Kingdom and Germany, the labor market is very tight, and there is intense competition. But these figures I have given I hope are responsive to your question.

Senator DWORSHAK. Except in two respects, they do have potential manpower over there and NATO countries make a contribution to the overall NATO defense effort, and they maintain their own forces within their own country. Is that correct?

Mr. TYLER. Yes.

Senator DWORSHAK. I say again, Mr. Chairman, I have tried to emphasize that point because I think that, while you may justify

the inability of our NATO allies to provide financial support for military force because of their limited economic background and other factors, that there should be no limitation or restraints on what they can do in furnishing manpower. Will you agree with me on that? If they want to cooperate fully with us in our NATO effort, then there is no reason why they cannot furnish the manpower subject to what you said, that the labor situation in West Germany may be tight. That is good economically but if our allies and NATO all said we have to employ our manpower in nondefense activity, then that might rationalize the failure to provide any manpower, might it not?

General MILLER (Director, European Regional Office of the Assistant Secretary of Defense, International Security Affairs). It might, but it does not, sir.

Senator ELLENDER. Well, in West Germany the trouble there is that the Bundestaag has never passed a law where conscription was for more than 12 months.

Senator DWORSHAK. Oh, that draft is just for the American boys.

Senator ELLENDER. The point is that the moment the boys get 12 months' training, they get out of the picture. They don't want to stay in the armed services.

Senator DWORSHAK. What is wrong is that we draft young Americans to serve in the military services in Europe, while the European allies refuse to draft their own young men to support and defend their own countries?

General, will comparable effort be made by our NATO allies to call up their citizen component reserves and to increase the number of draftees called into service as we have been doing recently?

General MILLER. In general, we have assurance of this kind.

Senator DWORSHAK. The emergency exists only in this country.

General MILLER. Our returns are incomplete on this at the moment, because the United States spent a lot of time developing this program. There has been quite an amount of substantial response already, but it takes time to be definitive about this.

Senator DWORSHAK. General, I know you are a realist. If this Berlin crisis is nearly as acute as it is represented to be, then it would be folly for our NATO allies not to take comparable action to what we have done to bulwark and build up our defense forces. Is that right?

General MILLER. We will need all the strength we can get.

Senator DWORSHAK. Not after something happens in Berlin, but before it happens.

Mr. TYLER. Despite the progress noted above, we recognize that a number of the NATO countries are capable of doing more toward meeting their defense requirements than they are now doing or plan to do. We are continually urging them bilaterally and in NATO to greater efforts, and in this we have had some success. However, the problem is more than a financial one. Despite serious efforts of European governments to devote a larger share of national resources to defense, certain inhibiting factors, such as latent neutralism in elements of the public and widespread demands for social and economic programs often prevent these governments from developing their military establishments in consonance with their NATO responsibilities. But even under the most optimistic estimates of the real possibilities for increases in European defense efforts, a significant gap between NATO minimum essential requirements and what can be done by the European NATO countries remains. I believe that it is in our own national interest to continue substantial military assistance to present NATO recipients on a selected basis, continuing to carry out the programs



so as to elicit maximum feasible effort from the aid recipients themselves.

In view of the very real financial limitations of our European allies, as well as the ever-present political pressures for arms reduction, I am convinced that eliminating or drastically reducing military aid to these countries will not result in increased efforts on their part.

Exactly the opposite result may be anticipated. One might ask whether we could foresee the end to the need for military assistance to our European allies and the time when they will be able to stand on their own feet. Our purpose in providing equipment and training is not to enable any one country to acquire enough military strength to stand alone against the Soviet threat, but to enable each of them to make a maximum contribution to the total power of the Atlantic defense system. The military assistance program, therefore, should continue in Europe as long as it represents, and only as long as it represents, a worthwhile investment by the United States in terms of the combined defensive power it generates.

The PRESIDING OFFICER. The additional time yielded to the Senator from Idaho has expired.

Mr. ELLENDER. Mr. President, I yield 1 more minute to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 1 more minute.

Mr. DWORSHAK. Mr. President, for many years I have recognized that we always face this difficulty. We add immeasurably to our own defense budget; and we expand our military activities, insofar as manpower is concerned, both at home and abroad. But always we face a crisis; always we are told we have to do more on foreign aid.

Mr. President, it seems to me most significant that very few Senators—with the exception of the Senator from Louisiana and a few other Members of the Senate—make any effort to insist that our NATO allies make greater contributions than they have been making. Is it because they do not recognize that there is a crisis in Berlin? Is it because they want us to defend those countries—as witnessed by the fact that when they withhold making available the amount of manpower that they should make available, we reciprocate by sending thousands and thousands of young Americans over there, to do what our NATO allies obviously have failed to do, to make up for what obviously is their failure to cooperate fully with us?

So I shall support the amendment of the Senator from Louisiana, because I think it will put backbone into our NATO allies, instead of having the psychological effect of backing down.

The PRESIDING OFFICER. The additional time yielded to the Senator from Idaho has expired.

Mr. DWORSHAK subsequently said: Mr. President, I ask unanimous consent to have printed in my remarks in support of the Ellender amendment some figures taken from the House report with the division of amounts added by the Senate, showing the adjustable total available for our foreign aid program in the current year as \$11,571 million.

The PRESIDING OFFICER. Without objection, it is so ordered.

The House report said:

"In summary, the foreign assistance program will have the following sums of money available for commitment, obligation, or expenditure during the current fiscal year:

|                                                                              |                 |
|------------------------------------------------------------------------------|-----------------|
| Recommended in the bill---                                                   | \$3,357,500,000 |
| Reappropriation of unobligated funds to the military assistance program----- | 50,000,000      |
| Foreign currencies-----                                                      | 1,917,400,000   |
| Obligated but unexpended funds, June 30, 1961-----                           | 5,284,134,000   |

|                                                        |                |
|--------------------------------------------------------|----------------|
| Total-----                                             | 10,609,034,000 |
| Increased by House on floor (military assistance)----- | 300,000,000    |
| Increases by Senate Appropriations Committee:          |                |
| Military assistance-----                               | 100,000,000    |
| Other assistance-----                                  | 562,000,000    |

|                                      |                 |
|--------------------------------------|-----------------|
| Adjusted total for current year----- | 11,571,034,000" |
|--------------------------------------|-----------------|

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I rise in support of the Ellender amendment.

The argument has been made that this is a time of military crisis. Indeed it is. The argument has been made that our European allies are exposed to Communist aggression and could be overwhelmed overnight if they did not have this military assistance. The fact is these countries could be overrun overnight with or without this assistance. It would make almost no difference.

To argue that Denmark or Norway could stop Russia today is horse-and-buggy military thinking that has no regard for the fact that, from the strictly conventional standpoint, there is no comparison between Russian armed might and our own in Europe. They have 175 divisions well armed. They have massive organized military forces which, in the event of conventional war, would, in the judgment of experts, be virtually impossible to resist.

The reason why these countries are not overrun is that we have in Berlin 6,500 American troops, American boys who serve as hostages and 5½ divisions in Europe. It is obvious to the Russians that, if they were to begin that kind of war on our allies, they would be at war with the United States.

I think the Ellender amendment, which is a modest reduction back to the level of the military assistance authorization which had been passed by the Senate earlier this year—as a matter of fact, it is above the military authorization—is reasonable.

Our final point, Mr. President, the more military assistance we give to the South American countries the greater the burden is on their economy. It has been shown over and over again that the real threat communism poses in South America and other countries is not from external aggression. Red China and Russia are not going to invade South America. But they are working night and day right now to subvert them. Because of economic collapse, notwithstanding the kind of assistance given to these countries in the form of tanks, planes, and so forth, involved in

this bill, they may not be able to resist internal communism. If communism will come there at all, it will come in the form of a military coup, most likely. It will come because their economies are not viable, are not growing, and cannot support the kind of military effort which requires jet planes, tanks, missiles, and an economic effort which is beyond their nation's abilities. The resulting inflation and concentration of political and military power can stimulate internal Communist revolt.

I feel very strongly that the Ellender amendment, which has already been considered in effect by the Senate once before, and which was approved when the authorization bill was before us, is a reasonable amendment, which would keep the military assistance segment of the program in accord with the rest of the program. It should prevail.

I yield back the rest of my time.

Mr. SALTONSTALL. Mr. President, will the acting majority leader yield me time?

Mr. HUMPHREY. I should like to yield the Senator all the time, but I know the Senator can help us if I yield him 1 minute.

Mr. SALTONSTALL. Mr. President, I oppose the amendment for three reasons, which I shall try to set forth in 1 minute.

The appropriation last year was \$1.8 billion. The authorization this year is \$1.7 billion, and the committee has appropriated that whole amount.

If the amendment of the Senator from Louisiana is adopted, it will mean that the President will undoubtedly have to use his drawdown authority. If he uses his drawdown authority, it will affect the authorization and the amount of money that could be used in fiscal year 1963.

My second point is that, whereas in 1953 the NATO countries were expending \$11.5 billion, they are now expending \$14.4 billion. In those same years we were expending \$2.8 billion in NATO countries, while we are now expending \$800 million.

The military assistance program decreased from 38 percent in fiscal 1961 to 22 percent in Europe; in the Near East and south Asia it increased from 16 to 24 percent; for the Far East it increased from 38 percent to 46 percent.

This year \$1.1 billion is required for force maintenance and fixed charges, and about \$600 million for force improvement. Thus a \$100 million cut represents a 17-percent decrease in the funds for this purpose.

For these reasons, I shall support the bill as reported by the committee and vote against the amendment of the Senator from Louisiana.

Mr. HUMPHREY. Mr. President, I yield 3 minutes to the minority leader.

Mr. DIRKSEN. Mr. President, I have gone through the so-called side slips with respect to the items in the appropriation bill, and I wish to make three or four points in opposition to the amendment of the Senator from Louisiana.

First, it must never be forgotten that a certain amount of money is a fixed



charge, which is already required for maintenance of forces in being. If the testimony is accurate, this would require \$1.1 billion, and \$600 million for force improvement. So if a reduction of as much as \$100 million were made, it would mean a 16-percent decrease. If the cut were more than \$100 million, the percentage would be larger. So the impact of the cut is infinitely greater than meets the eye.

Secondly, there is the psychological effect of a cut at this time. I know how easy it is to say that those with whom we are associated in the free world should do more; but when the house is on fire and we are throwing a stream of water on it, we can look at our associates and say, "Better keep on pumping more water," but that does not keep the house from being consumed unless we do as much as we reasonably can within the capacity of the country. So there is not only a dollar impact, but a psychological impact as well.

I believe I am correct in saying that heretofore we could take funds out of the contingency fund for military purposes; but if I understand the bill correctly, that no longer can be done. I would rather not be pennywise and pound foolish at a time when there is such a perilous and critical situation in so many areas of the world. This is a small amount of money when measured against the whole sum for our national security. So I would rather not quarrel against those who are skilled in the art of providing best for our security with respect to that amount of money.

For that reason I do not believe the amendment by our good and distinguished friend from Louisiana should prevail. I hope, therefore, it will be defeated.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. I associate myself fully with what the distinguished minority leader has said and express the hope the amendment will not prevail. The times are too critical. I think the committee as a whole has done a good job, and I hope the Senate will uphold the hand of the committee.

Mr. DIRKSEN. I appreciate the contribution, and I would add only one further point. Probably we are inclined to forget that in the field of military equipment and accouterments, depreciation takes place to no less an extent than in any other field of enterprise and industry. What we have done in the past and what we have provided are always subject to attrition and depreciation forces. I think the additional money that would be provided if the amendment did not prevail would be a definite contribution to our security.

Mr. HUMPHREY. Mr. President, does the Senator wish to use his time now?

Mr. ELLENDER. No.

Mr. HUMPHREY. I yield the remainder of the time to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, it seems to me the time has come when the Senate should show its sense of re-

sponsibility and stand by its own act taken here just a few days ago in passing a foreign aid authorization bill, which was in an amount decidedly under the request of the President, and which in several of its features departed from the request of the President.

We have fought out these issues. They are the same issues which were considered in the long debates on the authorization bill. We fought them out in great detail, almost ad nauseum. We fought them out in conference. Finally, we approved the conference report. The Senate approved it by a vote of 69 to 24. In addition to those voting, the RECORD shows there were enough Senators stating positions to make the total 73 to 25, with two positions not shown. The President then approved the bill as passed.

Mr. President, insofar as the item of military aid is concerned the amount is well under what we provided last year. Last year we appropriated \$1.8 billion for this particular objective. This year we were asked to appropriate \$1.885 billion, but instead, after long battling on the authorization bill, we agreed to provide \$1.7 billion. The act was passed in that form and that amount is now in the pending appropriation bill.

There is another important feature in the act which I strongly supported, as I did the amendments to cut the budget proposal down to its present size. I went further than that, as the RECORD will show. Another feature which I supported is the one which apparently is being relied upon in the proposal to cut the authorization for this year, because it is provided that the Appropriation Committees shall annually review the program during the 5 years of its existence and shall take such action as the committees think is proper. In the second and through the fifth year, so far as I am concerned, I reserve the right to review the picture at these times to see whether there has been good administration, to see what is the world condition and what are our domestic needs, and to vote accordingly in the Appropriations Committee.

Speaking only for myself, I would not feel I had taken a responsible position or one in accord with the prestige of the Senate if, after the Senate passed the authorization bill, which was approved on September 4, I should vote to impose heavy cuts with respect to a money bill before us September 15, as to which testimony was being taken even while the authorization bill was being debated and was at the White House, before it was signed. I would not feel I was living up to the challenge of responsibility if I voted to impose heavy cuts this year, when there is not a single indication of any improvement in the situation since the authorization bill was passed and became law. To the contrary, if there has been any change—and it is only in a general way that it appears—the tension has grown greater and the danger has grown greater.

We are not proceeding under hysteria, as has been suggested. I was never more deliberate in my life than in my feeling we came to a definite figure for this year by voting for the authorization bill only

a few days ago, with the ink of the President's signature hardly dry now. If we are to be responsible, we ought to stand by that authorization. That is what I intend to do in this matter which so greatly affects our foreign policy and our defense program.

It seems to me at this time of crisis if we continue the fight which has been going on since the beginning of this session it will indicate that, instead of having the ability to get together, to form ranks and stand by our own act taken a few days ago by a large majority, we intend to continue the fight on up to the time the last dollar is appropriated.

Mr. President, I do not think that position would uphold the tradition and prestige of the Senate. I am one who voted with the Senator from Louisiana on both his amendments to reduce the amount of the authorization, and who voted with the Senator from Virginia as to the question of annual review and appropriations. I am glad I cast those votes and I feel that the authorization bill was improved by our action following both of those changes, in a substantial way.

Mr. President, when we have taken action so solemnly, near the end of the session, so that we might have the benefit of all developments in the world situation and in our own country, I think it smacks of irresponsibility for us, without any improvement in the situation whatever, to propose to write great reductions into the appropriations we have just authorized.

Mr. President, my own position will be to oppose the amendment offered by my distinguished friend, whom I have supported on the floor not only in respect to the authorization this year but also at times previously, and to vote to uphold the hand of the President and the hands of the defense people who strongly insist that we need to use military aid to our allies in the amount authorized and now in the pending bill.

I invite particular attention to the fact that the Congress voted this year \$46.6 billion for our own defense, and over a billion dollars for our military construction. We are talking here about \$1.7 billion for the military support of our allies, whom we hope will stand with us.

Mr. President, I think we shall be upholding our own position and that of our own people if we recognize the fact that we are financially stronger than many of our allies. I echo everything said about the fine fighting qualities of the Pakistani. I have seen them fight. I echo what has been said about the fine fighting qualities of the Turks. My good friend General Van Fleet has told me how the Turks fought in Korea. I echo what has been said about the fine fighting qualities of the Greeks and many others of our allies.

I think we should stand by our own acts and form ranks at this time of grave crisis. We should stand by the authorization bill in regard to the question of the military aid appropriation.

The PRESIDING OFFICER (Mr. PELL in the chair). The time of the



Senator from Florida has expired. The Senator from Louisiana has 5 minutes remaining.

Mr. ELLENDER. Mr. President, I yield myself the remainder of my time.

Let me say at the outset that I have listened very closely to the arguments advanced by various Senators who oppose my amendment, and particularly those made by my good friend from Florida.

But what I cannot understand is that I cannot recall any great changes in the world situation since I proposed this same amendment to the authorization bill. At that time many Senators who now oppose this amendment were in favor of it. I am at a loss to understand the reason for such changes.

Mr. President, the amendment I have offered will provide \$100 million more in military assistance than the authorization which the Senate approved only a couple of weeks ago. In the meantime, the world situation has not changed, and let me also add, I do not believe it will change.

As I said only recently, I predict that following adjournment of Congress, we shall note that things will improve. As I pointed out during hearings on this bill before the Appropriations Committee, it appears to me that these "emergencies" confront our Government every year when the Congress begins consideration of foreign aid appropriations.

As I pointed out a moment ago, of the \$90 billion plus we have made available to our allies in the past 15 years over one-third went for military assistance. I wish I could portray for my colleagues the precise conditions I found in Western Europe when I visited there last year. I know that most of my colleagues would feel a sense of shock if they saw the way that our allies have been permitted to reduce their own armed forces.

Mr. President, as my good friend from Idaho stated a while ago, when the NATO Alliance was created we hoped that eventually this organization would contain as many as 60 divisions, with the United States furnishing 5½ or 6.

The overall figure has been reduced to about 20½ divisions, but the United States is still in Europe with 5½ divisions.

Mr. President, the newspapers yesterday stated that although we have 5½ divisions in Europe the President now proposes to send 45,000 more young Americans to Western Europe to assist people, who should be forced to assist themselves.

In my judgment, our allies have allowed their own defense efforts to deteriorate to such an extent that they are in no position to be of assistance to American troops now in Europe. In other words, every American soldier now in Western Europe is in mortal danger because of a lack of effort on the part of our allies to live up to their obligation. Yet we go right ahead and provide more and more money for our so-called allies who are well able to bear more of this burden. We are, in addition, providing more and more manpower for their use. This will have the effect of leading Europeans to believe that good

old Uncle Sam will continue to carry the load, not only money-wise, but manpower-wise. I believe that now is the proper time for us to tell these countries that our Nation is tired of carrying the full burden. We must tell them that it is high time for them to stop leaning on us. I believe the best and most telling way we can do this is to vote for the reduction in military assistance that is provided for in my amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mrs. NEUBERGER (after having voted in the negative). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Wyoming [Mr. HICKEY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], and the Senator from Wyoming [Mr. HICKEY] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent by leave of the Senate to attend the Interparliamentary Conference in Brussels.

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Tennessee [Mr. GORE]. If present and voting, the Senator from Alaska would vote "yea," and the Senator from Tennessee would vote "nay."

On this vote, the Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Washington would vote "yea," and the Senator from Missouri would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from South Carolina would vote

"yea," and the Senator from New Hampshire would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Connecticut [Mr. BUSH] is absent by leave of the Senate to attend the Conference of the International Fund and World Bank in Vienna.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from South Carolina would vote "yea."

The result was announced—yeas 29, nays 52, as follows:

[No. 203]

YEAS—29

|               |              |                |
|---------------|--------------|----------------|
| Anderson      | Dworshak     | Miller         |
| Bennett       | Eastland     | Morton         |
| Bible         | Ellender     | Mundt          |
| Burdick       | Ervin        | Pell           |
| Butler        | Fulbright    | Proxmire       |
| Byrd, Va.     | Hickenlooper | Russell        |
| Cannon        | Hruska       | Schoeppel      |
| Case, S. Dak. | Jordan       | Talmadge       |
| Church        | Long, La.    | Young, N. Dak. |
| Cotton        | McClellan    |                |

NAYS—52

|              |              |                |
|--------------|--------------|----------------|
| Aiken        | Humphrey     | Pastore        |
| Beall        | Jackson      | Prouty         |
| Boggs        | Javits       | Randolph       |
| Byrd, W. Va. | Keating      | Robertson      |
| Carlson      | Kefauver     | Saltonstall    |
| Carroll      | Kerr         | Scott          |
| Case, N.J.   | Kuchel       | Smathers       |
| Clark        | Lausche      | Smith, Mass.   |
| Cooper       | Long, Mo.    | Smith, Maine   |
| Dirksen      | Long, Hawaii | Sparkman       |
| Dodd         | Mansfield    | Stennis        |
| Douglas      | McCarthy     | Thurmond       |
| Engle        | McGee        | Wiley          |
| Fong         | McNamara     | Williams, N.J. |
| Hart         | Metcalf      | Williams, Del. |
| Hayden       | Monroney     | Young, Ohio    |
| Hill         | Moss         |                |
| Holland      | Muskie       |                |

NOT VOTING—19

|          |           |            |
|----------|-----------|------------|
| Allott   | Goldwater | Morse      |
| Bartlett | Gore      | Neuberger  |
| Bridges  | Gruening  | Symington  |
| Bush     | Hartke    | Tower      |
| Capehart | Hickey    | Yarborough |
| Chavez   | Johnston  |            |
| Curtis   | Magnuson  |            |

So Mr. ELLENDER's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, on page 2 of the bill, at line 13, I move to strike out the words "For assistance authorized by section 214(b) for construction of the General Sikorski Trade School, Hyzna, Poland," and to insert in lieu thereof the words "At the discretion



of the President, for an American sponsored trade school in Poland."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 13, it is proposed to strike out the language commencing with the word "For," down to and including the word "Poland," and to insert in lieu thereof the words "At the discretion of the President, for an American sponsored trade school in Poland."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota. The amendment was agreed to.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, returned to the Senate, in compliance with its request, the concurrent resolution (S. Con. Res. 14) saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam."

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H.R. 2585. An act relating to the credits against the employment tax in the case of certain successor employers;

H.R. 5852. An act to provide for the free entry of a towing carriage for the use of the University of Michigan; and

H.R. 7057. An act relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6775) to amend the Shipping Act, 1916, as amended, to provide for the operation of steamship conferences; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. GARMATZ, Mr. DOWNING, Mr. CASEY, Mr. TOLLEFSON, Mr. RAY, and Mr. MAILLIARD were appointed managers on the part of the House at the conference.

#### THE AMERICAN POULTRY INDUSTRY

Mr. TALMADGE. Mr. President, the junior Senator from Georgia on two recent occasions has called the attention of the Senate to the worsening economic plight of the American poultry industry.

The situation has reached crisis proportions. Poultry is selling in many areas at prices as low as 10 cents per pound against a cost of production of upward of 14 cents per pound.

It does not take an economist to understand that the continuation of such conditions will mean the destruction of the American poultry industry and economic disaster for the thousands of American farmers dependent upon it for their livelihood.

The junior Senator from Georgia and other Members of both Houses of Con-

gress concerned about the future of the industry sought to provide machinery for relief by adding hatching eggs and poultry to the commodities made subject to marketing orders by the recently enacted omnibus farm bill. Unfortunately, a majority of the spokesmen for the industry opposed such a step and, in accordance with their wishes, the provision was deleted.

On August 18, the junior Senator from Georgia outlined to the Senate his proposal for the purchase of 6 to 8 million laying hens in breeding flocks for consumption in the school lunch program. It was his feeling then and it is his feeling now that such a course offers the best hope for immediate relief of the problem.

Mr. President, I ask unanimous consent that the text of my remarks and my letter to the Secretary of Agriculture, inserted in the RECORD on that occasion, be printed at this juncture of my remarks.

There being no objection, the remarks and letter were ordered to be printed in the RECORD, as follows:

#### THE AMERICAN POULTRY INDUSTRY

Mr. TALMADGE. Mr. President, it is a basic economic fact that a man in business must be able to sell his products for more than it costs him to produce them if he is to stay in business.

It is that fact which is at the root of the dire economic straits in which the American poultry industry finds itself today. Overproduction has depressed the market for poultry below the cost of production and the situation has become so grave that, unless something is done soon to give the industry some relief, its future will be jeopardized.

The problem is of particular concern to my State of Georgia, which leads the Nation in the production of broilers. The livelihood of thousands of Georgia farmers and their families is dependent upon early and effective action to solve it.

After careful study of the problem, Mr. President, I am convinced that any solution must have as its basis the elimination of the cause of overproduction—the surplus of laying hens in breeding flocks. It is out of that conviction that I have recommended that the Secretary of Agriculture immediately initiate studies leading to an early purchase program to buy from 6 to 8 million such hens for consumption in the school lunch program.

For the future welfare of the poultry industry and the thousands of Americans directly dependent upon it for their existence, I earnestly hope such action will be taken at the earliest possible date.

I ask unanimous consent, Mr. President, that the text of my letter to Secretary of Agriculture Orville L. Freeman setting forth my recommendation be printed herewith in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 17, 1961.

The Honorable ORVILLE L. FREEMAN,  
Secretary of Agriculture, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: As you are aware one of the most distressing problems confronting American agriculture today is the worsening economic plight of the poultry industry. Overproduction has depressed broiler prices well below the cost of production and, unless some effective plan to alleviate the situation is devised and implemented soon, the same or even worse conditions will prevail in 1962.

Based on the best available information, the estimated 90 million laying hens in breeding flocks will produce from 8 to 12 percent more broilers and layers next year than the market can absorb if farmers are to receive a sufficient return to stay in business. That fact makes it clear that unless steps are taken immediately to reduce the number of laying hens in breeding flocks and thereby eliminate the threat of future overproduction the future of the poultry industry will be jeopardized.

I have given long and serious thought to the problem and have conferred with knowledgeable authorities about it. I have reached the conclusion that the approach offering the most promise of immediately alleviating the distress of the poultry industry would be for the Department of Agriculture to initiate a section 32 purchase program to buy from 6 to 8 million laying hens now in breeding flocks for use in the school lunch program. I respectfully urge that the Department of Agriculture begin a immediate study with a view toward undertaking such a program within the next 60 days.

Such an approach would have the result of reducing the number of chicks available for broiler production next year as well as an immediate effect of strengthening current broiler prices. It also would permit breeding flock producers the advantage of taking capital losses in making their 1961 tax returns.

It is my considered opinion that the owners of breeding flocks would welcome such a program as an immediate means of adjusting their production more in balance with demand and of stabilizing the poultry market. I am sure they recognize, as do we, that nothing but disaster can result from prolonged continuation of present conditions within the poultry industry.

I hope you will agree with me that it is essential that speedy action be taken and I shall be deeply grateful for a report on whatever steps are taken in this connection. My staff and I are at your service for the development of any data which may be needed in conjunction with your consideration of this matter.

With kindest personal regards, I am,  
Sincerely,

HERMAN E. TALMADGE.

Mr. TALMADGE. Mr. President, on August 28, the junior Senator from Georgia reiterated his recommendation for a hen purchase program. He also expressed the opinion that it will be necessary for Congress to investigate the practice of vertical integration which is responsible for the overproduction which is destroying the poultry industry. I ask unanimous consent that the text of my statement and of the accompanying article, which I had inserted in the RECORD at that time, be printed at this point in the RECORD.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

#### POULTRY PRICES

Mr. TALMADGE. Mr. President, earlier this month the junior Senator from Georgia called the attention of the Senate to the dire economic circumstances in which the American poultry industry finds itself as the result of overproduction. In those remarks, I outlined my recommendation that the Secretary of Agriculture act to afford immediate relief to the industry through the purchase of 6 to 8 million laying hens for consumption in the school lunch program.

The underlying reason for the overproduction which has depressed the poultry industry is a practice known in the trade as vertical integration—an arrangement through



tioned, it finds itself in extreme difficulties. It is one of the most important industries in the country. I think there is every justification for drastic action to be taken at this time. I believe that if such action is taken, it will prove to have been temporary, and that the difficulty will be overcome.

Mr. TALMADGE. I thank the Senator from Arkansas, who has always been zealous in protecting the interests of poultry farmers and the farmers generally throughout the Nation.

The Senator's State of Arkansas was exceptionally well represented at the Atlanta meeting, which was called by Commissioner Campbell.

I now yield to the distinguished Senator from Virginia.

Mr. ROBERTSON. Mr. President, I have been much interested in the remarks made by the distinguished Senator from Georgia. We in Virginia are deeply concerned over this problem. We do not produce as much poultry as is produced in Georgia, but we are an important producing State. I am sure Virginia was represented at the conference.

Mr. TALMADGE. Virginia was indeed well represented.

Mr. ROBERTSON. It is rather ironic that as the gross national product moves to an alltime high, estimated to be, before the end of the year, about \$550 billion, and with the producer income of the Nation at a rate in excess of \$400 billion, the producers of poultry face bankruptcy.

Certainly it is within the power of the Government to prevent that hardship, not only because it will be doing justice to those who are engaged in that phase of agriculture, but because if the poultry producers are forced to go out of business, the time will come when eggs will sell, as they did in World War I, for 5 or 10 cents apiece.

Mr. TALMADGE. The Senator from Virginia is eminently correct. The Senate has under consideration at present a bill involving billions and billions of dollars for many nations all over the face of the earth. What we are primarily seeking at present is to have purchased some 6 million or 8 million breeder hens for use in the school lunch program, because we believe that that action will do much to save the broiler industry, which is on the threshold of bankruptcy at this time.

Mr. President, I now yield to the distinguished senior Senator from North Carolina.

Mr. ERVIN. Mr. President, I commend the distinguished junior Senator from Georgia for taking the lead in the fight for the poultry producers of America. My State is vitally concerned in this industry. The industry has been in a bad economic State for some time.

I associate myself with the remarks of the Senator from Georgia and assure him that I shall do everything in my power to assist him in bringing to fruition the program which he suggests and which has been endorsed by the Atlanta meeting. I do not know of any persons who are more in need of more assistance

in the marketing of their product than are the poultry producers.

Mr. TALMADGE. I thank the able senior Senator from North Carolina. I point out to the Senator, if he does not already know it, that the distinguished Commissioner of Agriculture of his State, the Hon. L. Y. Ballantine, was present at the meeting which drew up the program we are submitting to the Senate today.

Mr. ERVIN. The Senator's aid in any legislative matter is always most acceptable. I am grateful indeed, as I am sure the poultry farmers of the Nation are grateful, for his support.

Mr. TALMADGE. Mr. President, I yield to the distinguished junior Senator from North Carolina.

Mr. JORDAN. Mr. President, I commend the able junior Senator from Georgia for the fine step he has taken to help to remedy the plight of the poultry industry, not only in his own State of Georgia and my State of North Carolina, but all the other States which are vitally interested in the problem.

I had the pleasure and privilege of serving with the able Senator from Georgia on the Committee on Agriculture and Forestry when we drafted and drew up the last farm bill. As he has stated, the poultry industry did not ask to be included in the marketing agreements at that time. I believe that is a correct statement.

Mr. TALMADGE. That is correct. Indeed, the Senator and I sat through the hearings, hour after hour, and the position of the poultry industry then, by and large, was that they did not want marketing orders. But subsequent to that I believe they changed their minds.

Mr. JORDAN. I think that is correct. We went to that question specifically.

Mr. TALMADGE. We did, indeed.

Mr. JORDAN. We attempted to learn if the poultry people wanted to and would come under such an order, and their answer was that they did not wish to do so.

Mr. TALMADGE. That is correct.

Mr. JORDAN. Now they have reached the point where they need some relief. As the Senator from Georgia has outlined, if we can secure a program to purchase large numbers of breeder hens, that will immediately cut the crop of baby chicks.

Mr. TALMADGE. Such a program would be responsive in a matter of weeks, whereas the other program would require months before the legislation would appear on the books.

Mr. JORDAN. I associate myself with everything the Senator from Georgia has said and offer him every assistance in his effort to carry the program through to a successful conclusion.

Mr. TALMADGE. I thank the able Senator from North Carolina. I have had the pleasure and privilege of serving with him on the Committee on Agriculture and Forestry. I do not know of any member of that committee who has been more diligent and more persever-

ing in his efforts to aid the farmers of the Nation.

Now I yield to the distinguished Senator from Alabama.

Mr. SPARKMAN. I thank the distinguished Senator from Georgia. I wish to commend him for the stand he has taken and for his excellent leadership, over a long period of time, in behalf of the poultry industry. As a member of the Committee on Agriculture and Forestry, he is in a strategic position, and certainly he has exercised in fine fashion his powers there. Not only is he a member of the Committee on Agriculture and Forestry, but he represents a State which leads in the production of poultry in the Nation. Georgia outstrips by far all the other States in the production of poultry. I believe the statistics show that Alabama and Arkansas run a neck-and-neck race, year after year, for second place in the production of poultry.

For a long time I have been greatly concerned about this problem. I discussed it with the Senator from Georgia at the time when the agricultural bill was under consideration here. I regret very much that it was not possible for us then to take action on this matter.

But certainly the time for us to act on it has come now. I assume that in other States the situation is similar to that in Alabama, namely, that the great bulk of the production of poultry is by the small farmers.

Mr. TALMADGE. That is correct.

Mr. SPARKMAN. Most of the farmers in Alabama produce poultry as a sideline, in addition to producing field crops.

What has been happening throughout the country, I am sure, is that the small, independent farmer producers of poultry products have been squeezed out, and they simply cannot continue.

Mr. TALMADGE. Yes, they have become vertically integrated by means of contracts with the large feed mills, which virtually have turned the small farmers into hired hands.

Mr. SPARKMAN. Yes, that certainly has been done by the large feed mills.

Mr. TALMADGE. Yes. They are virtually absorbing the market all over the country, in their efforts to sell their feed.

Mr. SPARKMAN. And the situation is also very bad insofar as the small independent producers in the communities are concerned, regardless of whether they are producing layers or broilers or other types of poultry. In any case, they are being squeezed out.

Mr. TALMADGE. That is correct.

Mr. SPARKMAN. So I appreciate very much the contribution the Senator from Georgia has made.

Mr. TALMADGE. I thank the Senator from Alabama very much for his support. I know that, as always, it will be highly effective.

Mr. MANSFIELD. Madam President, will the Senator from Georgia yield, so that we may have the third reading of the foreign-aid appropriation bill?

Mr. TALMADGE. Madam President, I ask unanimous consent that at this



time I may yield, without losing the floor, so that the bill may be read the third time.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

#### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 9033) was read the third time.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the final passage of the pending bill.

The yeas and nays were ordered.

#### THE AMERICAN POULTRY INDUSTRY

Mr. STENNIS. Madam President—

Mr. TALMADGE. Madam President, at this time I yield to the distinguished Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Georgia.

Madam President, I wish to commend the Senator from Georgia for his excellent leadership and his untiring efforts in behalf of the poultry industry. I also wish to commend him highly for his major part in the plan he has outlined here today. I do not know of any other industry that is as great a friend to the housewife, in contributing more food for less money.

Mr. TALMADGE. Yes, poultry is the cheapest farm commodity today, and it is the cheapest food in the world.

Mr. STENNIS. Yes. As the Senator from Georgia has pointed out, the poultry industry is now facing bankruptcy and ruin, and within a short time the housewife could well face a situation in which she would have to pay much, much more than a fowl is really worth, according to the ordinary standards, inasmuch as now she is paying much less.

Mr. TALMADGE. Yes. Broilers are now selling for far, far less than the price for which they sold in the worst days of the 1931 depression.

Mr. STENNIS. I can testify to that from actual experience. I remember buying them during the depths of the depression. At the present time it is almost with a sense of guilt that we purchase choice fowls in the grocery stores at such low prices—prices which many of us realize mean far less than a living wage for the producers.

So I thank the Senator from Georgia for his remarks.

Mr. TALMADGE. Madam President, I thank the Senator from Mississippi for his contribution and for his support.

Mr. RUSSELL. Madam President, will my colleague yield?

Mr. TALMADGE. I yield.

Mr. RUSSELL. I desire to congratulate my distinguished colleague on his statement, and to associate myself with all he has said.

The poultry industry is vital to the economy of the State we have the honor to represent here. However, it has never been in a more desperate predicament than the one it is in today. The Department of Agriculture has for some time been purchasing some poultry for the school-lunch program—

Mr. TALMADGE. And I commend my colleague for that, inasmuch as it was through his leadership that the Secretary of Agriculture began to do that.

Mr. RUSSELL. I thank my colleague. But I am perfectly willing to surrender my part in the program, in favor of the one suggested by my colleague, because the purchase of the hens will do a great deal more to curtail the overproduction of poultry than would the purchase of broilers, which only encourages the purchase of more eggs and the hatching of the eggs and the production of still more broilers.

I, too, have received a letter from our very able State commissioner of agriculture, Mr. Campbell, and the resolution appended to it.

I assure my colleague that if he introduces any proposed legislation, even at this late hour in the session, I shall contribute in every way I can to undertake to advance it, although I realize the practical difficulties in undertaking to enact it into law at this time. But certainly if there is any segment of agriculture that at this moment, is entitled to the tender and sympathetic consideration of the Department of Agriculture, it is the poultry industry.

Mr. TALMADGE. I thank my distinguished colleague. I commend him for his always effective leadership in behalf of the farmers of the Nation. I do not think any other Member of the Congress over the years has contributed as much to the welfare of the farmers as has my distinguished colleague, particularly in his position of chairman of the Agricultural Appropriations Subcommittee of the Senate Appropriations Committee. His assistance is always invaluable on any issue.

Of course I join with him in his comment that it is difficult to get proposed legislation of this nature passed by both Houses at this time, so late in the session. The only way that could possibly be done would be for the poultry producers throughout the length and breadth of the country immediately to take up arms and contact their Senators and Representatives. In that way there would be some remote possibility of having such a measure enacted into law at this session, with the result that they could obtain relief through a program by the Secretary of Agriculture to purchase breeder hens. In my opinion, that offers the possibility of some relief in connection with the problems the poultry producers face today.

Mr. RUSSELL. Madam President, again I commend my distinguished col-

league for his suggestion; and I urge it on the Department of Agriculture, for, as he has said, it is the only step which could be taken at this point in the session that holds out any definite possibility of affording them relief.

Mr. TALMADGE. I thank my colleague.

Madam President, I yield the floor.

#### "UNCLE SAM" WILSON

Mr. KEATING. Mr. President, I move that the Senate proceed to consider the motion to reconsider the vote by which Senate Concurrent Resolution 14 was sent to conference. I have cleared with the leadership the matter of bringing it up at this time.

Mr. RUSSELL. Mr. President, may the title of the resolution be stated?

The PRESIDING OFFICER (Mr. BURDICK in the chair). The clerk will state the concurrent resolution by title.

The LEGISLATIVE CLERK. Senate Concurrent Resolution (S. Con. Res. 14) saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam."

Mr. KEATING. Mr. President, on September 6 the House of Representatives passed an amended version of Senate Concurrent Resolution 14. The other body saw fit to amend this resolution in spite of strong and convincing historical evidence presented to the Federal Charters, Holidays, and Celebrations Subcommittee of the Senate Judiciary Committee on July 11, 1961.

For several years citizens of Troy, N.Y., have worked with ever-increasing energy to establish that city's claim to the symbol of Uncle Sam. The people of Troy have been greatly aided in this endeavor by New York Representatives Leo O'Brien and Carlton King, as well as former Representative Dean Taylor. In addition, I know we in New York appreciate the assistance and fine cooperation received from Members of Congress representing Massachusetts and New Hampshire.

Based on the testimony to which I have referred, the Senate saw fit to pass Senate Concurrent Resolution 14 without amendment. The House of Representatives, because of an objection by a Member of Congress from Indiana, amended Senate Concurrent Resolution 14 to eliminate reference to the birthplace of Samuel Wilson and to his later life in Mason, N.H.

I am convinced that the evidence submitted to the Senate Judiciary Committee overwhelmingly substantiates the fact that Samuel Wilson lived in Arlington, Mass., and Mason, N.H. The record is extremely clear on these two points. It is interesting to note that the years in which Samuel Wilson lived—1766 to 1854—are included in the resolution and thereby it is clearly established that the Samuel Wilson saluted by the Congress is the Samuel Wilson who lived in Arlington, Mass., and Mason, N.H., and finally in Troy, N.Y., where he gained the immortal name of "Uncle Sam." Nevertheless, in order to pass this resolution at this time and recognize our national symbol properly, I think the



## BE ALERT

May I plead with you to be ever alert to these very real dangers. Take an active interest in public policies and programs. Use your influence to help safeguard our liberty. Use your talents to help protect, safeguard and strengthen our free private enterprise system. This is the best system in operation in the world today. Anchor yourself to sound, tried eternal principles—economic, social and spiritual.

Graduates of 1961, be mindful that there are many phenomena in God's universe which cannot, to our present human understanding, be fully explained. There will always be those little minds who, out of vanity for intellectual display, would attempt to destroy faith in the basic principles of free government and the very foundations of life itself. Be assured, however, that no man, worthy of the name, who understands the basic concepts of freedom or who has been humbled and awed before the inexplorable wonders of this marvelous universe, will ever scoff at eternal principles—sacred things—or try to rob you of your faith in the unseen.

Our inability to explain a thing in terms of our materialism does not disprove its reality. By yielding obedience to your faith in God and the laws of the universe, economic, physical and spiritual, there will come a soul-satisfying security which is priceless. You will need this anchor as you face a doubting world.

"There can be no security"—again I quote Dr. Link—"unless there are fixed foundations on which to build. There can be no maturity of character unless there are permanent principles and ideals to which a man can hold. The sailor at sea is subject to the changes of winds, currents, and weather; but the North Star, the compass and the lighthouse remain fixed. With these aids he can bring his ship to port."

May you ever be alert to safeguard, protect and strengthen our freedom, without which all other blessings are placed in jeopardy, and may you bequeath to succeeding generations an even richer heritage than that which you have been privileged to receive and enjoy.

May God bless you graduates and all of us to cherish our God-given freedom—to anchor our lives to eternal principles—and to go forward with faith in God, unafraid, to happy and rewarding lives of usefulness, meriting the blessings of Heaven, I humbly pray.

#### OPPOSITION TO MUZZLING OUR MILITARY LEADERS IN THEIR ANTI-COMMUNIST STATEMENTS AND SEMINARS

Mr. MUNDT. Mr. President, in a speech before the American Legion convention in Denver, Colo., on Wednesday, September 13, former Vice President Nixon made a strong and unequivocal statement against muzzling our military leaders in their anti-Communist statements and seminars. In effect he said that he wanted to make it plain to the convention that he was against muzzling our military leaders in any fashion, and that he felt that they were best equipped to educate their personnel and the public on the menace of communism. When Mr. Nixon made these remarks in his speech, the convention of Legionnaires responded with a tremendous ovation. On the following day, September 14, the convention approved Resolution 99 in support of military information and edu-

cation programs on the menace of world communism.

Since it appears that the Senate Armed Services Committee is about to conduct an investigation—and I hope it does—in regard to the wisdom and the desirability of having such seminars and courses conducted, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the American Legion convention's Resolution 99 in support of military information and education programs on the menace of world communism; and in this connection I emphasize that the resolution adopted by the American Legion convention at Denver urges "the officers of the U.S. Armed Forces to continue to perform their duty to defend the Constitution of the United States, that they better inform themselves regarding the fundamental principles of our form of government exemplified by our Declaration of Independence and Constitution, that they transmit and impart this knowledge to the Armed Forces under their command and to the general public, that the officers of our Armed Forces familiarize themselves with the aims and purposes of the known enemy, that they earnestly and patriotically strive at all times to impart this knowledge to the men under their command and to the general public, to the end that the morale and fighting spirit of our Armed Forces be kept at all times at the highest possible level. We further urge that the challenge of certain Government officials in high places to the established rights and duties of the officers of our Armed Forces be removed and that they be left unshackled and unhampered in the discharge of their duties to the above end."

Mr. President, that is precisely what the distinguished Senator from South Carolina [Mr. THURMOND] and a number of the rest of us have been advocating here on the floor of the Senate for a number of weeks; and, therefore, I have called attention to this important resolution adopted at the American Legion convention at Denver, Colo.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

#### RESOLUTION 99

Whereas the morale and fighting spirit of our Armed Forces is directly related to their knowledge and their belief in the fundamental principles upon which the Government of their homeland is founded and to their knowledge and understanding of the aims and purposes of the enemy; and

Whereas the Director of the Federal Bureau of Investigation and author of "Masters of Deceit," a most knowledgeable work on communism, has stated and warned, "We cannot hope to successfully meet the Communist menace unless there is a wide knowledge and understanding of its aims and designs"; and

Whereas, Lenin, the real architect of communism, proclaimed, "It is inconceivable that communism and democracy can exist side by side in this world." Lenin said inevitably we must perish; and

Whereas this doctrine has been iterated and reiterated many times by his successors, and their actions have consistently been in conformity therewith; and

Whereas the military officers of the U.S. Armed Forces are charged under oath with the duty to defend our country from all enemies foreign and domestic and that to accomplish fealty to this oath, the military leaders must know the enemy—his aims and purposes in order to instruct the men under their command, fortify their morale, and so defend our homeland against the enemy; and

Whereas this right and duty of the military officers of the U.S. Armed Forces has recently been challenged publicly by certain officials in high places in Government: Now, therefore, be it

*Resolved*, That the American Legion in convention assembled in Denver, Colo., September 9 through 14, 1961, urge the officers of the U.S. Armed Forces to continue to perform their duty to defend the Constitution of the United States, that they better inform themselves regarding the fundamental principles of our form of government exemplified by our Declaration of Independence and Constitution, that they transmit and impart this knowledge to the Armed Forces under their command and to the general public, that the officers of our Armed Forces familiarize themselves with the aims and purposes of the known enemy, that they earnestly and patriotically strive at all times to impart this knowledge to the men under their command and to the general public to the end that the morale and fighting spirit of our Armed Forces be kept at all times at the highest possible level. We further urge that the challenge of certain Government officials in high places to the established rights and duties of the officers of our Armed Forces be removed and that they be left unshackled and unhampered in the discharge of their duties to the above end.

#### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

Mr. JAVITS. Mr. President, I wish to call attention to two aspects of the pending appropriation bill and to raise a question about it. I hope very much that the members of the Committee on Appropriations will remain so that I may raise a question with them appropriately.

I first call attention to the fact that the Appropriations Committee has very wisely put back in the bill \$3 million of the \$5 million authorized for Federal participation in surveys of investment opportunities. That is the amount for which I strongly contended when the matter was before us for authorization. It represents an extremely valuable investment by the United States. It can serve as a catalytic agent to energize our international development program, and ties in directly with the amendment which was adopted in both Houses, making private borrowers eligible for participation in the Development Loan Funds, and bears upon the fact that often business will not think it advisable to spend this amount of money—Government participation is limited to 50 percent—to participate in a survey which may represent a risk expenditure, because there might be no result from the



survey as representing anything in which a particular business would care to invest.

Nonetheless it is critically important to our foreign aid program that this kind of investment be stimulated, especially in less developed areas, where this situation is most likely to occur.

Hence, if we adopt this \$3 million provision—and it has had no challenge, and the bill has gone to third reading—and if we stick by it in conference, we bring ourselves more and more with this amendment and the amendment to which I referred a moment ago in a position of having private enterprise take its full share in the foreign aid program of the United States.

Mr. President, this has been one of the big deficiencies of our program, in trying to meet the Russian challenge with roughly 20 to 25 percent of our economy, instead of 75 to 85 percent, which represents the private enterprise sector.

Here are two amendments, incorporated in the authorization now in the bill we are debating, which are extremely conducive to buttoning up the situation and bringing about a real participation by the private economy in our foreign aid endeavors. It is very important, indeed, and I am delighted to see that the committee has done what it has done.

I also call attention to the provisions of section 108 of the bill, which reiterate the language adopted 2 years ago in the so-called Morse-Javitz amendment, with respect to discrimination being practiced by other nations against American citizens in the granting of personal or commercial access and other rights on grounds of race or religion.

We all know what has occurred. We know that the Arab League still maintains a boycott list and that periodically American business concerns receive letters from the Arab League threatening them with blacklisting, which is inherent in the boycott, and asking them to fill out questionnaires as to whether there are any Americans of the Jewish faith in their enterprises. We also know that Americans of the Jewish faith, although they are soldiers of our country, have been barred from places like Dhahran Air Base, in violation of this basic principle of American life.

Therefore, it is with great gratification that I note that again the Appropriations Committee has taken cognizance in so deliberate a way in this bill and has written this section into the bill directing the policy of the United States against it and asking the President to apply it.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. JAVITS. I am glad to yield to the Senator from Pennsylvania.

Mr. SCOTT. Although the Senator and I and a number of other Senators have from time to time called the attention of this administration in its relevant departments to this discrimination and have mentioned the fact that American soldiers of the Jewish faith are grossly discriminated against, even as to their intended use as soldiers of the United States on American-leased

bases in Arab countries, I have not heard that the administration has done a single thing about this outrageous situation. I would expect that the Department of State would write a little note or do something to get on record that they deplore or abhor or condemn or express dismay or shock or disappointment or misunderstanding, or use any of the other words which are so readily available to the State Department letter writers, and none of which have any real meaning, since they are not further implemented.

But, so far as I know—and perhaps the Senator from New York can advise me—this administration has really done nothing, has certainly done nothing, which in any way would be effective to bring an end to the discrimination. Is that not so?

Mr. JAVITS. I am unaware of what action, if any, has been taken in this administration to that end. I call the Senator's attention to the fact that one or more letters from the State Department have been placed in the RECORD, in which the previous administration, the Eisenhower administration, stated—I am drawing on my recollection; I believe it is quite accurate—that representations had been made in the countries affected, through diplomatic channels, calling attention to the situation and seeking correction. This diplomatic activity will continue.

Mr. SCOTT. I recall action when those representations were made; but my point is that since that happened, so far as I am aware, no progress has been made, and nothing has really been done by the State Department or by the administration. Is that not correct?

Mr. JAVITS. Again, so far as I know, I have no report on what, if anything, has been done. The enactment of the bill with this provision will give the Senator from Pennsylvania, me, and other Senators who are similarly interested an opportunity, again, to call for an appropriate report from the State Department as to what is being done to implement this new, repeated, and deliberate establishment of policy by Congress. I hope in that way that we may get an accounting, first, as to what, if anything, has been done since we last had a report from the State Department, and second, as to what will be done.

Mr. SCOTT. I support the Senator's effort.

Mr. JAVITS. I am grateful to the Senator from Pennsylvania. I know he has supported us. He has been one of the most stalwart of those who have engaged in this effort throughout. It is gratifying to him, as I know it is to me, that this provision is in the bill. It gives us a new opportunity to do what he impliedly recommends, which is to go back to the authorities, especially the State Department, to learn what has been done to implement the finding of Congress. I thank the Senator from Pennsylvania for his interpolation.

Mr. President, when the Senate reaches the stage of voting on the passage of the bill, which it will quite soon, and the motion is made to appoint conferees, I shall submit an instruction to the conferees—I understand that to be

the appropriate time to do it—the instruction to read as follows:

The conferees are instructed to seek the instructions of the Senate before receding from the amount provided in the bill for the Development Loan and the Contingency Fund.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Upon the making of such a motion to instruct the conferees, will the motion be debatable?

The PRESIDING OFFICER. A motion to instruct conferees is debatable.

Mr. JAVITS. In that case, I shall at that time explain my purposes. I may say immediately that my purposes are in no way involved with any question as to the conferees themselves and their determination, which I know will be as great as that of any other Member of the Senate—that is, those of the conferees who support the proposed legislation. However, I shall recite for the Senate the record of how we have fared in previous conferences.

I feel that when the conferees go into conference in this instance, considering what I think we and the country know they are faced with, they had better feel that they have the whole body of the Senate back of them and that they simply cannot make a deal until they come back and get our instructions to allow them to make it.

This is one situation in which I think the Senate had better show some backbone if it expects what we are doing here in the effort to correct the very serious situation in terms of national security and national position in the world, to be truly corrected as a result of the conference.

I yield the floor.

Mr. SCOTT. Mr. President, the amendment to include section 111, of which I am a cosponsor, states:

It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those nations which share the view of the United States on the world crisis.

I expect that the administration will do what the press strongly indicates is about to be done, namely, to recognize that there exists in the world a difference between the committed nations and the uncommitted nations. There is some virtue in being committed. There is considerable virtue in standing for something. There is great virtue in standing for freedom.

Some of the neutrals, as they evidenced at their recent Belgrade Conference, indicated merely that while they are not entirely for freedom, at the same time they are not entirely against freedom.

I am a little tired, as I think all of us are, of U.S. tax revenues being given to people who cannot make up their minds whether they want freedom in the world for themselves and for others, or not. I am glad there are indications that appropriations for some countries which have become notably more and more hostile to us will likely be pigeonholed for an indefinite period.



Mr. DWORSHAK. Mr. President, will the Senator from Pennsylvania yield?

Mr. SCOTT. I yield.

Mr. DWORSHAK. The Senator from Pennsylvania is a little impatient. We have been doling out our dollars for only about 12 or 14 years. We have not had sufficient time in which to influence the neutralist nations to take a position in support of the free countries of the world.

Mr. SCOTT. I thank the Senator from Idaho. I realize he is a very patient man. However, I have the feeling that while patience may have its place on a monument, it may not have its place any longer in the minds of the American people or of the Federal Legislature.

I support the bill. I have always supported foreign aid. However, it is becoming more and more difficult to support foreign aid because of the flagrant and arrogant attitude of those who take our money and then serve the other side. I am tired of paying for people to be Communist stooges with the aid of American cash. I hope that hereafter aid will be given to advance the cause of freedom and to advance the cause of free nations to advance the policies of the United States, and not merely to be spent hopefully, and perhaps wastefully, on a bunch of Communist stooges, pro-Communist fronts, or invertebrate leaders of nations who indulge in pious blackmail for the purpose of forcing us to give up our hard earned dollars so that they may spend them not only to our disadvantage but also toward the end that we shall be defeated in our attempt to preserve freedom for all men to whom freedom is now or may become possible.

Therefore, I support the bill. I hope the President will continue, as he has demonstrated he intends to do, to move with discrimination in the distribution of funds, so that the money will go where it will be helpful and will not be spent on those who surely do not deserve our solicitude and our cash.

Mr. President, I ask unanimous consent to have printed in the RECORD an editor's report entitled "Neutrals' Stand Perils Peace," written by William Randolph Hearst, Jr.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

#### NEUTRAL'S STAND PERILS PEACE

(By William Randolph Hearst, Jr., editor in chief, the Hearst newspapers)

What with the cold war world series getting hotter by the day, isn't it about time we took a closer look behind the masks of some of the self-appointed umps who call themselves "neutral?"

No question about it, these would-be arbiters have been making some strange calls—most of them impartial-against-the-United States.

Any time "Lefty" Khrushchev curves a low one 'way outside, they call it a strike. And no matter how fair our side hits it, these "neutrals" call it foul.

That's pretty rankling to Americans when we recall that most of these "neutrals" have been or are being rescued from economic misery by Uncle Sam—and with no strings attached.

I think a good rule for future foreign aid would be that neutral is as neutral does. A

really neutral nation is the Swiss variety—it sticks to the meaning of the label and minds its own business.

There has long been sentiment in Congress for restraining our compulsive largesse toward foreign regimes which show their gratitude by habitually kicking Uncle Sam in the pants. Rumbblings from the White House indicate parallel thinking there.

Naturally it would be better for the world if all nations were to recognize that the Communist empire respects no neutrality and violates it whenever that course is useful to Moscow and/or Peking. However, it is not altogether practical to fault weak and fearful nations for trying to stay out of a fight even though their course is short-sighted.

But that certainly does not go for such as Tito of Yugoslavia, Nkrumah of Ghana, Toure of Guinea or lesser fry who did their Commie best to steer the just-closed Belgrade conference of "neutral" nations into anti-U.S. positions. It got so bad that India's Nehru and Egypt's Nasser found themselves forced to shy away from the bad company they were in.

I am inclined to go along with those who believe that the Belgrade circus cost Tito a lot of influence among nonaligned nations and added some stature to Nehru.

After all, peace is the name of the game for a sincere neutral, and support of the Soviet collision-course on Berlin is bound to work against peace, not for it.

For the record, let's review U.S. aid toward a couple of the most arrantly anti-American "neutrals"—Tito and Nkrumah. Ed Edstrom of Hearst Headline Service's Washington Bureau reports:

Aid to Tito's Yugoslavia since 1950—\$2.2 billion of which \$693 million has been military aid.

Aid to Nkrumah's Ghana—\$6.6 million since 1956, all economic, largely in the form of food.

U.S. aid has boomed Yugoslavia's economy and greatly bolstered Ghana's. Both countries have had their hands out for bounty from the Red side, too, but Soviet aid is harder to pinpoint, being mostly in barter or project-building that can bear big "Made in U.S.S.R." tags.

As a force in the world struggle, the "neutral" nations sold themselves short at Belgrade. They had a big chance when the Soviet chose their meeting time as the occasion to resume nuclear testing.

But just deploring nuclear tests without condemning the Soviet action was meaningless.

The same goes for resolutions against colonialism which failed to mention the Soviet as the biggest colonial power of our time.

However well-meaning Nehru was in carrying the "neutral" peace plea to the Kremlin, all he has gotten is the back of Khrushchev's hand. Perhaps President Kennedy can be more polite to Indonesia's Sukarno and Mali's Keita who arrive Tuesday on a similar errand, but at least he can tell them they've come to the wrong address.

It is not the United States that now or ever threatened to break the peace.

In any case, it wouldn't be a bad idea to let them know that anti-United States "neutrality" no longer means Open Sesame to Uncle Sam's purse.

Any consideration of the worth of recipients of American taxpayers' money must give high priority to the nations of Latin America. As I have said before and doubtless will say again, this should be the most important area in the world to us.

With the exception of Cuba, the Pearl of the Caribbean which Khrushchev now wears in his necktie, our neighbor nations have first claim on our help. But this does not mean dishing out the \$20 billion earmarked for the Alliance for Progress with spendthrift affability.

Here also the administration ought to be guided by realism. If we spend our money on the principle of see-what-the-boys-in-the-backroom-will-have, the boys are apt to call for double slugs of the same.

In brief, we have got to find some way of making as sure as we can that our money benefits the people for whom it is intended, and is not used

1. To bolster corrupt and greedy bureaucracies, or

2. To perpetuate the intolerable division between the very rich and the very poor.

It is almost redundant to point out that either of these consequences would give aid and comfort to communism.

A case in the news at the moment is Brazil. The fourth largest country in the world and one which could be a tremendous ally in the cause of hemispheric freedom is emerging from political chaos brought on by the irresponsible conduct of former President Janio Quadros—and let's hope he remains "former."

Quadros resigned suddenly and inexplicably August 25. A couple of days ago the influential Rio newspaper Tribuna Da Imprensa said he was sure he would be called back to the Presidency with dictatorial powers and further accused him of being involved in a Communist plot.

It is certainly true that as President, Quadros was a political Jekyll-Hyde. He was becoming more and more pro-Moscow and more and more anti-Washington, and yet at the same time in his economic policy he was an austere conservative. He tried hard to pull Brazil from the quicksand of inflation, which plunged the cruzeiro from 20 to the dollar to more than 220 to the dollar. To give you an idea: A 1961 Chevrolet fetches a black market price in Rio of \$12,000.

The one thing we can be firmly thankful for so far is that Brazil seems to be coming out of the crisis provoked by Quadros without devastating civil war. The rest is no more than hopeful conjecture.

The new President, Joao Goulart, for example (a very rich man, by the way), has shown disturbing Communist leanings. As Vice President, he was exchanging pleasantries with Mao Tse-tung when Quadros resigned.

It is possible Goulart is more opportunist than Communist. At one time he looked with sympathy on the Fascist Peron regime in Argentina.

Under the amendment to the Constitution just voted, the powers of the President are sharply restricted. Most authority will reside in a Prime Minister.

Two questions still hanging are:

Will President Goulart try to chisel through the restrictions built around his office?

How economically sound and politically forceful will the Prime Minister be?

Until they are answered, there is no sense in rushing to the new capital of Brasilia, saying, "Please take out taxpayers' millions."

We certainly don't want to contribute to bumping the black market price of a Chevy to—perhaps—"20 grand."

Mr. SCHOEPP. Mr. President, once again the American people are undertaking a long-range foreign aid program.

Initially, foreign aid was justified in order to restore war-torn economies, but now we are proposing that 181 million Americans should raise the living standards of several billion people scattered over the globe. Mr. President, I have consistently supported measures to assist other countries in developing their own military strength so as to defend their freedom. It is true economy for us to finance these efforts as we will then



not be forced to commit our own manpower to this task. It is too often forgotten that our population represents only 6 percent of the world's total. If we can keep as many of our able youth productively employed so that our tax base is broadened, we can accomplish far more in combating communism than if we enlarge our own Armed Forces.

Furthermore, the cost of our Armed Forces is not merely the present budget of the Defense Department. It must also include all the contingent future liabilities, such as veterans' benefits, possible pensions, hospital and medical care, education and training, and a large portion of the interest charges on the public debt which was accumulated during previous mobilization periods. Thus, there is a sound and firm reason to support military assistance and the development of a reasonable economic base to support it in friendly countries. However, we are undertaking a program that is far more extensive.

On July 7, 1959, I made a statement with reference to this same subject. I quoted at length from a remarkable book by the late Prof. William E. Rappard, entitled "The Secret of American Prosperity." Professor Rappard, in turn, referred to comments by a young Frenchman, Michel Chevalier, who had the opportunity to visit our country during the early years of our Republic. Mr. President, once again I shall make one reference to Dr. Rappard's comments. He said:

The United States are not, in Chevalier's opinion, more favored by nature than other parts of the New World. On the contrary, they are less well off than the areas most richly endowed with minerals, for example. But they know how to turn the resources they do have to exceptionally good account, mainly because of the care they have given to the construction and exploitation of roads, canals, steam navigation, and above all, of railways, which, he says, have become since the spring of 1834 "a perfect mania" with the American public.

The spectacle of a young people, executing in the short space of 15 years, a series of works, which the most powerful states of Europe with a population of three or four times as great, would have shrunk from undertaking, is in truth a noble sight. The advantages which result from these enterprises to the public prosperity are incalculable.<sup>1</sup>

Mr. President, Dr. William H. Peterson, associate professor of economics at the Graduate School of Business Administration at New York University, has written a stimulating article entitled "United States Was Once Undeveloped Too, But Received No Aid." I ask unanimous consent that this article from the Commercial and Financial Chronicle of July 6, 1961 may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### UNITED STATES WAS ONCE UNDEVELOPED TOO, BUT RECEIVED NO AID

(By Dr. William H. Peterson, associate professor of economics, Graduate School of Business Administration, New York University, New York City)

For all their talk of foreign economic growth and production "miracles"—the West German boom, for example, or the Soviet Union's much-trumpeted but none-too-reliable 6 or 7 percent annual growth rate in gross national product—professional economists and other learned men all too often overlook the rather creditable job of growth in their own backyard: the economic development of America.

So "The Permanent Frontier: An Illustrated History of the U.S. Economy in Action" comes as a welcome reminder that soft inflation, cheap interest rates, massive public spending, permanent Government gifts and loans—to name some of the paraphernalia in the modern economic developer's kit—didn't figure constructively, if they figured at all, in the economic surge beginning several generations ago of Europe's rambunctious offspring in the New World.

Today the offspring, a geographical accident that Columbus bumped into in his search for Cathay, has grown into far and away the richest and most powerful economy on either side of the Iron Curtain, and with the highest living standards; and it behooves thinkers and politicians to keep their sights on how it was done.

For the salient point of this work originally serialized in *Challenge*, New York University's economics journal, is that American growth is the achievement of business. And if as Calvin Coolidge once said, "the business of America is business," this business has been a highly successful one. The testy upstart that humbled mighty Britain was from colonial times a business society, a business civilization, a land of do-it-yourself inventors and do-it-yourself entrepreneurs who utilized the proprietorship, the partnership, and the corporation as devices to pool savings and launch private enterprises. Many of the fledgling enterprises sputtered after a few months or a few years and then died, having failed to pass the market test—that is, win consumer acceptance. In other words, there has always been, every year, a business mortality rate in America, a symbol of consumer sovereignty; and the absence of this rate behind the Iron Curtain is a sign of consumer subservience.

But especially significant in America have been the business survival and birth rates. Enterprises by the millions, rural and commercial and industrial, have won consumer acceptance, have grown into thriving small businesses and, in a significant number of instances, into big businesses, and, big or small, have contributed greatly to American economic growth. One measure of this growth can be found in the U.S. Patent Office, authorized in article I of the Constitution. Here are the musty designs and blueprints of tinkers and inventors of more than a century ago, the original mechanizers, automaters, mass producers, and innovators, who along with the savers and investors and entrepreneurs constantly created, accumulated, and upgraded what the accountant so dully calls fixed capital—the very sinews of industrial well-being.

Here are patents on the steel plow, the harrow, the planter, the reaper, the harvester (which not only reaped but at the same time gathered the grain in sheaves and tied a string around each sheaf and laid them down in neat rows), the steel rail for rail-

roads, the open-hearth furnace for making steel, the sewing machine, rubber, dynamite, wire rope, the Pullman car, the safety razor, the electric streetcar, refrigeration, the electric light, the typesetting machine, and so on for thousands and now millions of patents, virtually every one of them privately owned, every successful one in its own way a propellant to economic growth and a more abundant life.

But the fact that the Patent Office is an arm of Government is testimony that business did not perform its act of growth alone, that in the wings was a silent, limited partner, which over the years has become increasingly less silent and less limited: the U.S. Government. A big reason for the limited partnership role: Mercantilism.

The editors of "Challenge" review the ineptitudes and countless frictions of the Mercantilist economic policies of Mother England. The Colonists rebelled against not so much the arrogant personality of King George III as against the tax on tea, the Molasses Act, the Stamp Act, the Sugar Act, against—to quote from the Declaration of Independence—"a multitude of new offices \* \* \* and swarms of officers to harass our people, and eat out their substance" (shades of Parkinson's law). In short, colonial freedom and economic growth was all but stopped by excessive economic intervention.

Thus, as every schoolboy knows or ought to know, the Founding Fathers wove in limiting "checks and balances" throughout their unique design of government: a tripartite Central Government, a Federal system with coequal States, with States' rights, a written Constitution, a Bill of Rights. The design—political and economic freedom—worked. Limited government served to unlimit economic growth, and the libertarian economy and society took off.

So the architects of American growth turn out to be both thinkers and doers—political thinkers like Thomas Jefferson, Alexander Hamilton, and James Madison, industrial doers like Cornelius Vanderbilt, Andrew Carnegie, and Henry Ford. In addition, there are millions of unsung and mostly unknown doers in the American growth story—the small investors who took a chance with shares in a canal, a railroad, an oil well, an iron works; the workers from Europe with but a bundle on their backs or from Africa with chains on their feet who sweated in steel mills and packing houses and road gangs; the small businessmen who plowed their savings into a country store, an agricultural implement dealership, a coastal sailing vessel, a stable, a clothing store, a filling station, and so on. Growth came in bits as well as in lumps.

But there are breaks in American growth. The upward trend line has dips along the way. In 1837, for example, a long depression climaxed Jackson's second administration, which had witnessed much wild speculation and inflation. From 1865 on defeat and reconstruction laid the South low for decades. In the depression of the 1890's, the Populists talked up free silver, the graduated income tax, and Government ownership of the railroads. And in 1929.

The American growth story is unfinished. Up to now it's been a dramatic human interest story of architects, engineers, and workmen, of strokes of genius and strokes of foolishness, of the libertarianism of Thomas Paine, the nobility of purpose of George Washington, the homely wisdom of Abraham Lincoln, the bold experimentation of Franklin Roosevelt, the sense of balance and responsibility of Dwight Eisenhower.

<sup>1</sup> CONGRESSIONAL RECORD, July 7, 1959, p. 11744.



One may differ with the Challenge editors here and there on some of their emphasis and interpretations, just as one may differ with such late economic historians as Frederick Jackson Turner, Charles Beard, and Garet Garrett and with such modern growth theoreticians as W. W. Rostow, Colin Clark, and John Kenneth Galbraith. Who's right and who's wrong? Who talks growth and who talks growthmanship? The future holds the answer, but one thing is certain: American economic growth has been the wonder of the world, and no foreign government's aid figured in it.

Mr. SCHOEPPEL. Mr. President, it is time that we reemphasize to the so-called undeveloped countries the virtues of our system of individual liberty and a free, private enterprise society. Whatever we can now contribute to others is possible because of our adherence to these concepts since 1789 when our Government was founded. Our people stem from every country on the face of the earth. Yet, in the climate of liberty which we have evolved, they have become endowed with those attributes of industry and diligence that have placed us in a position to preserve freedom when older nations had lost their ability to do so.

I sincerely hope that before we overburden our own economy, more thought will be given to the fact that we, too, were once an undeveloped country. As Dr. Peterson points out, there was no foreign aid from any other nation to assist us during our period of development. We have only a small portion of the world's natural resources, and while our people have been well trained in modern technology, this can be achieved by others, too, if they have the will and the desire to develop their maximum potential.

Technical assistance and similar measures to enable them to achieve more rapidly the technical advances that characterize the 20th century will never require the vast outlays that are proposed in long-range development programs where our country endeavors to construct every conceivable type of facility which will ultimately extend our commitments to the point where we will be forced to default on obligations that may be more pressing.

Mr. COOPER. Mr. President, Congress will soon conclude its work on the foreign aid bill. The responsibility for an effective foreign aid program rests with the administration. I suggest there are certain decisions the President and his administration must make immediately if the foreign aid program is to be improved.

First. Aid should not be provided to a country until its development plans have been reviewed by competent U.S. personnel, and determined to have a reasonable possibility of success.

Second. The United States should assure that development plans of the countries we aid provide for governmental, social, and economic reforms.

Third. The United States should look carefully at the agricultural development plans of the countries we aid. If the democratic governments we help emphasize industrial development, at the expense of agricultural development, and are unable to provide food and

clothing for their people, they may lose their support.

Fourth. The administration should encourage the assistance of the World Bank and other institutions such as the United Nations Development Fund to assist countries in the formulation and review of their development plans. In 1959, the Congress adopted a resolution sponsored by the then Senator Kennedy and myself, which resulted in a review of the plans of India and Pakistan by Mr. Hermann J. Abs of Germany, Sir Oliver Franks of the United Kingdom, and Mr. Joseph M. Dodge of the United States, representing the World Bank.

Fifth. The United States must not submit to pressure from any country, that it will seek aid from the Soviet Union unless we meet their requests.

Sixth. The administration must insist that European and other advanced industrial countries join in the program of aid to underdeveloped countries. The United States cannot continue to bear this burden alone.

I recognize that these suggestions may initially offend some of the newly developing countries, for they are jealous—and rightfully so—of their political and economic independence. But the countries we aid will respect us for insisting upon these conditions, for they will be benefited, and without loss of any independence. And, the administration owes a duty to our people who support the foreign aid program, and to the people of the countries we aid, to see to it that our funds are used effectively and without waste.

If the President does not begin the new aid program by insisting on the review of the aid plans of the countries we help, he may never have another chance to do so, and we will see the continuation of an ineffective and wasteful program.

Mr. SCOTT. Mr. President, a news story dated September 11, reads as follows:

President Kennedy's Senate lieutenants moved today to salvage the bare bone of his education program and put off until next year his broader school-aid proposals.

Democratic Leader MIKE MANSFIELD, of Montana, called the Senate to a 9 a.m. session for debate on legislation to extend impacted areas aid to school districts crowded by children of Federal workers and military personnel. The bill would continue for 1 year and the \$300 million program for some 3,000 school districts.

This is actually a belated reversal of an entirely different position taken by the Democratic leadership. Republican Members of this body have attempted on three different occasions—August 2, August 4, and August 18—to extend aid to school districts impacted by children of Federal workers and military personnel. It was President Kennedy's party in the Senate which succeeded in defeating these extensions.

I remind the Senate that the original recommendation by the President would have decreased the authorization for these laws by half. I was among those who strongly disagreed with that position.

So, Mr. President, let the RECORD be made straight. It has been the Republican Members of this body, joined with some from across the aisle, who will have brought about the extension of these laws, and is not, as the news story goes, that the Democratic leadership is salvaging part of the President's program.

Notable also is the fact that the extension of 2 years instead of the 1 year proposed by the administration came about through Republican support. How odd to be told of the need for forward planning and future programing in the extension of financial aid abroad, only to have that necessity vigorously denied by the same administration spokesmen when it is a matter of extension of financial aid to our own children.

Mr. HAYDEN. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on the passage of the bill. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLELLAN (when his name was called). On this vote, I have a pair with the senior Senator from Oregon [Mr. MORSE]. If the Senator from Oregon were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. METCALF], the Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. McCARTHY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. McCARTHY], the Senator from Montana [Mr. METCALF], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Missouri would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent, by leave of the Senate, to attend the Interparliamentary Conference, in Brussels.



The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Connecticut [Mr. BUSH] is absent, by leave of the Senate, to attend the Conference of the International Fund and World Bank, in Vienna.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Connecticut [Mr. BUSH] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Arizona would vote "nay."

The result was announced—yeas 62, nays 17, answered "present" 1, as follows:

[No. 204]

YEAS—62

|               |              |                |
|---------------|--------------|----------------|
| Aiken         | Hart         | Morton         |
| Anderson      | Hartke       | Moss           |
| Beall         | Hayden       | Mundt          |
| Boggs         | Hickenlooper | Muskie         |
| Burdick       | Hill         | Neuberger      |
| Butler        | Holland      | Pastore        |
| Byrd, W. Va.  | Humphrey     | Pell           |
| Cannon        | Jackson      | Prouty         |
| Carlson       | Javits       | Proxmire       |
| Carroll       | Keating      | Randolph       |
| Case, N.J.    | Kefauver     | Robertson      |
| Case, S. Dak. | Kerr         | Saltonstall    |
| Church        | Kuchel       | Scott          |
| Clark         | Lausche      | Smathers       |
| Cooper        | Long, Mo.    | Smith, Mass.   |
| Cotton        | Long, Hawaii | Smith, Maine   |
| Dirksen       | Mansfield    | Sparkman       |
| Douglas       | McGee        | Wiley          |
| Engle         | McNamara     | Williams, N.J. |
| Fong          | Miller       | Young, Ohio    |
| Fulbright     | Monroney     |                |

NAYS—17

|           |           |                |
|-----------|-----------|----------------|
| Bennett   | Ervin     | Stennis        |
| Bible     | Hruska    | Talmadge       |
| Byrd, Va. | Jordan    | Thurmond       |
| Dworshak  | Long, La. | Williams, Del. |
| Eastland  | Russell   | Young, N. Dak. |
| Ellender  | Schoeppel |                |

ANSWERED "PRESENT"—1

Dodd

NOT VOTING—20

|          |           |            |
|----------|-----------|------------|
| Allott   | Goldwater | McClellan  |
| Bartlett | Gore      | Metcalf    |
| Bridges  | Gruening  | Morse      |
| Bush     | Hickey    | Symington  |
| Capehart | Johnston  | Tower      |
| Chavez   | Magnuson  | Yarborough |
| Curtis   | McCarthy  |            |

So the bill (H.R. 9033) was passed.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I move that the Senate insist on its amend-

ments, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

Mr. JAVITS. Mr. President, I send to the desk a motion to instruct the conferees.

The PRESIDING OFFICER. The motion of the Senator from New York will be stated.

The LEGISLATIVE CLERK. The Senator from New York [Mr. JAVITS] moves that the conferees be instructed to seek the instructions of the Senate before receding from the amounts provided in the bill for redevelopment loans and the contingency fund.

Mr. MANSFIELD. Mr. President, I move to table that motion.

Mr. JAVITS. Will the Senator withhold that motion so I may make a statement on it for a moment?

Mr. MANSFIELD. Yes.

Mr. JAVITS. Mr. President, I wish to give the Senate my reason for making the motion, because I was not unaware of the fact that the Senator from Montana would be likely to move to table the motion. I am grateful to him for having given me the opportunity to explain the points involved, because the explanation of the points and some possible expression of views by other Members or by the conferees themselves I think will be most helpful to the Senate.

We have had a very bad experience in conferences with the other body upon foreign aid bills. Somehow or other, the representatives of the other body in these conferences have been far more determined than have ours, and almost invariably the bill has ended up very much more like what it was when it came over to the Senate from the House than what happened to it here in the Senate.

It may be recalled that on one occasion we passed an appropriation bill here on the last day of the session. The conferees went out for about an hour and a half, and when they came back the bill had been cut \$700 million in that very short transit.

We face at this particular time a very different situation. The Senate and the House, in dealing as they did with the long-term authorization which the President sought, and which President Eisenhower had sought before him, felt that in adopting a plan of authorizing and appropriating, it was at one and the same time—because it did adopt the provision for authorization over a considerable time—satisfying two principles: One, the need of the President for certainty, so he could know where he stood and how he could proceed; and, second, the need of the Congress, which was the view of its majority, that it wished to retain absolute control over the appropriations, so it could make annual authorizations and then money could be borrowed from the Treasury.

Many of us have said, and I think it is time to say it again, that to proceed in this way involves the exercise of respon-

sibility on our part and that we take a solemn determination to see that, certainly in the very first authorization we passed a short time ago, we should not be treated so cavalierly.

Yet let us see what happened. In the other body the provision for the development loan was cut by \$175 million. We have, happily, restored it, but we know that it will not be restored in substantial par until the conference report comes to us and it is approved.

Next, the contingency fund was literally cut to ribbons on the other side of the Capitol. It was reduced from \$300 million in the authorization to \$175 million. That cut has been restored in the Senate, again happily. Again, it will not be restored in any final way until we approve a conference report.

In the course of the debate on the authorization bill on August 11, 1961, I put into the RECORD a table showing what has happened heretofore with respect to authorizations and appropriations. Since 1957 the authorizations have been cut on the average 30 percent.

We thought we were working out some plan by which we would have more respect for our authorizations, and also that certainly with respect to the first authorization we were trying to make a finding as to what really is the need. The Senate Committee on Appropriations has sustained the authorization in that finding.

We now shall enter into a conference. The question I wished to put before the Senate in respect to the conference—this is the appropriate time and the appropriate way to do it—is, Will we stand more firm than we have heretofore? Or will we again, as we have heretofore, see conferees come back after a relatively short time in the conference to say, "We are sorry, but this is the best we can do." The best we can do is generally at the lowest possible common denominator.

Mr. President, I am thoroughly aware of the fact that even if the motion is agreed to the conferees would not be bound by it, and they could proceed nonetheless without reference to it, though I am sure they would not.

At least, by my making the motion, the conferees are offered an extremely valuable additional tool. The additional tool is the fact the Senate is determined this time, because of the exigencies of international life which we face and because we have taken the beatings before in respect to similar conferences, to stand by its position.

I think the previous actions have been very much against the national interest.

It seems to me the conferees may very well feel this is an important tool, an important backstop which will be very useful to them in the conference.

These two critical items involve major parts of the cuts—the development loans and the President's own contingency fund. The Senate conferees cannot yield, cannot recede, without coming back to the Senate to give the Senate an opportunity to decide whether it does or does not wish to recede upon those key items if the motion is agreed to.



Mr. President, this is a very unusual motion. Generally speaking, a motion of this character is not made until the conferees cannot agree. I am thoroughly aware of precisely the history and tradition involved.

As I said a minute ago, I am not a bit surprised that the Senator from Montana has made the motion he has made.

Mr. President, this is the only way of which I know, after a bill is passed and we are at the conference stage, that a Member or Members can express himself or themselves as to the kind of attitude and the kind of position it is hoped the Senate conferees will take.

This history in respect to these conferences on foreign aid appropriations has certainly been adverse to what I believe is the temper of the Senate and the temper of the country in regard to the foreign aid appropriations, especially in view of the fact that this body voted the 5-year long-term aid plan and only receded from it when it could not possibly make any progress with it. We maintained, in my opinion, a deeply implied commitment that we would, when we had the opportunity, stand up for these authorizations—and at least for the first authorization.

We are now seeking to appropriate in regard to that first authorization, which we consciously and advisedly approved as meeting the needs of the hour. Nonetheless, there is grave danger that unless our conferees do stand up very strongly—and that is what the motion is designed to enable them to do—we shall again go through the same performance we have witnessed before. The House cuts very deeply. The Senate restores the cuts. The Senate conferees go out. They come back with the House cuts and, in one case, as I said, only a few hours later. Then that is the end of that.

The time to speak is now. As one Senator, I am doing my utmost to do so.

Mr. SALTONSTALL. Mr. President, will the Senator from Montana permit a short reply?

Mr. MANSFIELD. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. As I look around the Chamber I believe I am correct in saying that I have been a member of more of those conference committees than any other Senator now in the Chamber. I assure the Senator from New York that we have done our utmost in every instance to maintain the Senate position, over many, many hours in some instances, and often quite late at night. We have attempted to get a bill nearly comparable to what the Senate stated as its wishes through its votes.

We must realize that it is necessary to pass a bill. Otherwise, we shall be worse off if we have no bill.

As a Senator who has always been in favor of this general program and as one of the conferees in this instance, as I have been for at least 8 or 10 years, I shall do my utmost to get a satisfactory bill.

The Senator from New York must realize that we must get together on a bill. This means we may have to yield in one instance and insist in another.

I hope there will be no firm instructions other than that the Senate conferees do their utmost to come back as nearly as possible with the Senate bill. I assure the Senator, knowing the members of the conference, that we shall do our utmost to do so.

I add one other thought. I have a high regard for the Senator from Louisiana, who has always been perhaps not very favorable to the program. When the Senator from Louisiana becomes a conferee he stands by the position of the Senate. For him in that regard I have a great deal of respect, because he negatives his own desires in order to stand by the position of the Senate. I am confident he will do so this time, also.

Mr. JAVITS. Mr. President, will the Senator yield further? I shall not take long.

Mr. MANSFIELD. I yield.

Mr. JAVITS. I hope the Senator from Massachusetts will give me his attention, for I wish to develop this point.

Would the Senator agree that we are in a position now which is different from the situation we faced before, in that we have had a struggle over this question of long-term authorizations and we came to the conclusion, which is at least implicit, that we have far more backing for these authorization figures than is normally the case when we deal with year-by-year authorizations and programs? Would the Senator agree that something has been added in our present situation?

Mr. SALTONSTALL. I say to the Senator from New York—and I speak frankly, because the administration is not of my party and not controlled by my party—what we have to do sometimes is to yield on items which are the more flexible items. As I have participated in these conferences, I have seen the Senate conferees insist on the items which the administration, whether Republican or Democratic, believed to be most necessary to carry out the program. As to the items with respect to which there is some flexibility, some opportunity for a new change of plans, we have tended to yield, rather than on the other items. I think we may have to do that this time.

Mr. JAVITS. Mr. President, I thank the Senator from Montana.

Mr. PASTORE. Mr. President, will the Senator from Montana yield to me for an observation?

Mr. MANSFIELD. I yield to the Senator from Rhode Island.

Mr. PASTORE. I share the apprehension of my distinguished friend from New York. I had hoped the Senator would wait until the names of the conferees had been announced before he made his motion. I think the Senator can rest assured that the Senate will send to the conference men who know the Senate's position and who will work and fight for the preservation of that position as far as it is reasonable for them to go.

I wish to point out that the prejudged conferences and instructions preceding conferences usually do not lead to a free conference, and are resented by the conferees of the other body.

That situation occurred only a short while ago. The Senate went to conference on the AEC bill, and the Senator will recall the item for the Hanford reactor which was in that bill. The House instructed its conferees, even before they went to the conference. The Senate conferees resented that.

If we are to preserve the conference system it must be a free system. If we instruct the conferees in advance as to how far they can go or cannot go we shall break down the conference system.

I understand the underlying reason of the distinguished Senator from New York for making the motion today, which is the experiences of the past we have had in conference, because of men who have not been in sympathy with amendments agreed to by the Senate. In this particular case, I think if the Senator will wait to hear the list of the names of the conferees, this time his apprehension will dissolve.

Mr. JAVITS. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I say to my colleague from Rhode Island that the motion I have made would not be in order after the conferees are named. The Senator knows, and I think the majority leader knows, that I made the motion because I wished to have the question aired.

I think it is very important.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I was aware of the fact that what the Senator from New York wanted to do was to emphasize a particular point. I honor him for it. At the same time, I must call to the attention of the Senate the fact that the Senator from New York has every confidence in the conferees who will be appointed, as we all have. Certainly we are proud of the excellent work which has been done by the Committee on Appropriations in reporting the bill today and securing its passage.

Mr. JAVITS. Mr. President, I feel that my purpose has been served. I withdraw the motion.

The PRESIDING OFFICER appointed Mr. PASTORE, Mr. SALTONSTALL, Mr. MUNDT, Mr. SMITH of Maine, Mr. HAYDEN, Mr. ELLENDER, Mr. MAGNUSON, and Mr. HOLLAND, conferees on the part of the Senate.

Mr. DODD. Mr. President, today I voted "present" on the final passage of the foreign aid appropriation bill. This is the first time in my service in the Congress that I have not voted for a foreign aid authorization or appropriation.

I could not vote against the bill because it contained many provisions which I feel are essential to free world resistance against Communist aggression. I could not vote for the bill, and would have done so only if my vote had been decisive, because the bill contained a number of highly objectionable provisions against which I wished to protest.

The bill provides some \$62 million in military and economic assistance to the United Nations forces in the Congo which are presently imposing a Communist regime on the people of the Con-



go while treacherously violating the most basic and fundamental rights of the government and people of Katanga Province.

This bill contains \$100,000 for the establishment of a trade school in Poland, thus under the guise of humanitarianism helping our Communist enemy to put better trained boys and girls into the field in the total war which the Communists are waging against us on all fronts.

In addition, the President is authorized, if he sees fit, to spend hundreds of millions of dollars annually on various forms of aid to Communist nations. I tried to eliminate this provision when the authorization bill was before the Senate and the vigor with which my amendment was successfully opposed indicated there was a strong intention by the administrators of this act to use the money of the American taxpayers to assist Communist regimes.

Were it not for these provisions, I would have gladly supported a foreign-aid bill even larger in scope than the one passed today. I opposed, in the Foreign Relations Committee and on the floor, all provisions aimed at reducing aid to our free world allies and to the so-called uncommitted nations. But the inclusion of aid and comfort for our Communist enemies, and for those who are doing their bidding in the Congo, have poisoned this bill and rendered it unworthy of my support.

I am only one Senator. But, as one with a long and consistent record of backing foreign aid, I hope that my refusal to support this bill will serve notice that there is a growing discontent in this Nation, discontent with the burden of foreign aid that would be willingly borne were it fully contributing to the survival of freedom but which is becoming unbearable so long as it assists both our enemies and our friends, thus financing both sides in the cold war.

#### MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2325. An act to amend the Export-Import Bank Act of 1945;

H.R. 2585. An act relating to the credits against the employment tax in the case of certain successor employers and to provide an election for past taxable years with respect to the determination of gross income from mining in the case of quartzite and clay used in the production of refractory products;

H.R. 3156. An act to make the Panama Canal Company immune from attachment or garnishment of salaries owed to its employees, and to amend the Shipping Act, 1916;

H.R. 5852. An act to provide for the free entry of a towing carriage for the use of the University of Michigan, and to increase the duty-free exemption of persons arriving in the United States and who are not returning residents thereof;

H.R. 7057. An act relating to the determination of gross income from the property

for taxable years prior to 1961 in the case of certain clays and shale which were used in the manufacture of certain clay products;

H.R. 8102. An act to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes; and

H.R. 8414. An act to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property.

#### PREVENTION OF CORRUPT PRACTICES IN FEDERAL ELECTIONS

Mr. CANNON. Mr. President, I move, pursuant to the unanimous consent agreement entered into yesterday, that the Senate resume the consideration of Calendar No. 853, Senate bill 2426.

The PRESIDING OFFICER. The bill will be stated by title.

THE LEGISLATIVE CLERK. A bill (S. 2426) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada.

The motion was agreed to; and the Senate resumed the consideration of the bill.

Mr. CANNON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CANNON. What is the pending question?

The PRESIDING OFFICER. The amendment of the Senator from Missouri [Mr. LONG], for himself and the Senator from New York [Mr. KEATING], identified as "9-7-61-B."

#### ORDER FOR ADJOURNMENT TO 10 A.M.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CANNON. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Montana provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, that it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### ADMISSION OF CERTAIN ALIEN ORPHANS—CONFERENCE REPORT

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. CANNON. I ask unanimous consent that I may be permitted to yield to the Senator from Mississippi without losing my right to the floor, and provided the time will not be charged to either side.

The PRESIDING OFFICER. Is there objection?

Mr. KEATING. Mr. President, reserving the right to object, I assume the distinguished chairman of our committee will submit a conference report.

Several Senators wish to be heard briefly on the report. I ask unanimous consent that the proceedings for the conference report intervene at this point without the Senator from Nevada losing his right to the floor.

Mr. CANNON. And without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. EASTLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2237) to permit the entry of certain eligible alien orphans. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of Sept. 12, 1961, pp' 18004-18007, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. EASTLAND. Mr. President, the Senate conferees accepted a House amendment to the alien orphan bill which I think was meritorious. It would prevent proxy adoption of orphans. As the bill comes to the Senate, a person may have a child brought over from a foreign country and adopt that child under the laws of the State in which he resides. Otherwise, he must see the orphan and make his decision abroad.

The House added a judicial review provision to the bill which we thought was very beneficial. That was the only field of the law in which the doctrine of res judicata would not apply. Criminals and subversives, with all the money and power of the Communist Party behind them, have brought suit after suit and made a mockery of the judicial process in the United States in an effort to remain here after they have been ordered to be deported. The amendment provides that a petition for review must be brought in a circuit court of the United States.

Another important provision which we accepted from the House is that second and third preference aliens will be admitted to this country on a non-quota status. They were coming to the country regardless, but they had to wait their turn under the quota. We have provided that they may be immediately admitted.

The facts show that under the provision, 6,976 second preference aliens will be benefited, and 11,040 third preference aliens, or a total of 18,016 people. The principal countries which will be benefited will be China, 1,575; Jamaica, 408; Greece, 1,761; Hungary, 855; Italy, 8,156; Japan, 415; the Philippines, 1,085; Portugal, 521; and Yugoslavia, 522.

I ask unanimous consent to have printed at this point in the RECORD the registrations reported by consular officers to reach the department August 1, 1961.

There being no objection, the registrations were ordered to be printed in the RECORD, as follows:



requiring a minimum wage for farm-workers is something new. It is not anything new.

In the past the Mexican Government has required that the imported Mexicans receive at least 50 cents an hour. This requirement has been enforced by the U.S. Government.

The only thing that the McCarthy amendment would actually change is that it would substitute 90 percent of the State average farm labor wage or 90 percent of the national average farm labor wage for the present 50 cents figure.

That change is necessary—absolutely necessary—to prevent the continued undercutting of the farm labor wages of our States.

I know that despite these explanations, the growers will continue to charge that the McCarthy amendment adopted by the Senate is a minimum wage provision. They will do this because they are embarrassed at having to justify a law which depresses the wages and job opportunities of our citizen workers.

They are embarrassed by a law which has kept field labor wages in most of Texas at 50 cents an hour for 10 years. They are embarrassed by a law which has caused average daily farm labor wages to drop year after year.

They are embarrassed by a law which limits employment for American farm-workers so that they can get only 138 days of work in an entire year.

Frankly, I don't blame the growers for being embarrassed. They should be. But I know that the House will not accept the completely inaccurate assertion that the Senate bill contains an agricultural minimum wage. It contains nothing of the sort.

Mr. SISK. Mr. Speaker, I have no further requests for time.

I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. SANTANGELO) there were—ayes 77, noes 24.

Mr. SANTANGELO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 243, nays 135, not voting 59, as follows:

[Roll No. 207]

YEAS—243

|                |             |              |
|----------------|-------------|--------------|
| Abbott         | Avery       | Bolton       |
| Abernethy      | Baldwin     | Bonner       |
| Adair          | Barry       | Bow          |
| Albert         | Bass, N.H.  | Boykin       |
| Alexander      | Bass, Tenn. | Breeding     |
| Alford         | Bates       | Bromwell     |
| Andersen       | Battin      | Brooks, Tex. |
| Minn.          | Beermann    | Broomfield   |
| Anderson, Ill. | Belcher     | Brown        |
| Andrews        | Bell        | Broyhill     |
| Ashbrook       | Berry       | Bruce        |
| Ashmore        | Betts       | Burleson     |
| Aspinall       | Bilitch     | Byrnes, Wis. |
| Auchincloss    | Bolling     | Cannon       |

|                |               |                  |
|----------------|---------------|------------------|
| Casey          | Horan         | Passman          |
| Cederberg      | Hosmer        | Peterson         |
| Chamberlain    | Huddleston    | Pilcher          |
| Chelf          | Hull          | Pillon           |
| Chenoweth      | Ichord, Mo.   | Poage            |
| Chilperfield   | Ikard, Tex.   | Qule             |
| Clancy         | Jarman        | Rains            |
| Collier        | Jennings      | Ray              |
| Colmer         | Jensen        | Rhodes, Ariz.    |
| Corbett        | Johansen      | Riehlman         |
| Cramer         | Jonas         | Riley            |
| Curtin         | Jones, Ala.   | Rivers, Alaska   |
| Curtis, Mass.  | Judd          | Rivers, S.C.     |
| Curtis, Mo.    | Kilday        | Roberts          |
| Daddario       | Kilgore       | Robison          |
| Davis,         | King, N.Y.    | Rogers, Fla.     |
| James C.       | Kling, Utah   | Roudebush        |
| Davis, John W. | Kitchin       | Rutherford       |
| Davis, Tenn.   | Knox          | Schadeberg       |
| Derwinski      | Kornegay      | Schenck          |
| Devine         | Kunkel        | Scherer          |
| Dole           | Kyl           | Schneebell       |
| Domlnick       | Laird         | Schweiker        |
| Dooley         | Landrum       | Schwengel        |
| Dorn           | Langen        | Scott            |
| Dowdy          | Latta         | Scranton         |
| Downing        | Lipscomb      | Seely-Brown      |
| Doyle          | Loser         | Selden           |
| Durno          | McCormack     | Sheppard         |
| Elliott        | McCulloch     | Short            |
| Ellsworth      | McFall        | Shriver          |
| Everett        | McIntire      | Slkes            |
| Evens          | McMillan      | Slisk            |
| Fascell        | McSween       | Smith, Calif.    |
| Fenton         | McVey         | Smith, Miss.     |
| Findley        | MacGregor     | Smith, Va.       |
| Fisher         | Magnuson      | Spence           |
| Flynt          | Mahon         | Springer         |
| Forrester      | Maillard      | Steed            |
| Fountain       | Marshall      | Stephens         |
| Fellinghuysen  | Martin, Mass. | Stubblefield     |
| Galland        | Martin, Nebr. | Taylor           |
| Gary           | Mason         | Teague, Calif.   |
| Gathings       | Matthews      | Teague, Tex.     |
| Gavin          | May           | Thompson, Tex.   |
| Glenn          | Meader        | Thomson, Wls.    |
| Goodell        | Merrow        | Thornberry       |
| Goodling       | Michel        | Trimble          |
| Grant          | Miller, Clem  | Tuck             |
| Griffin        | Miller,       | Tupper           |
| Gross          | George F.     | Udall, Morris K. |
| Gubser         | Mills         | Ullman           |
| Hagan, Ga.     | Minshall      | Utt              |
| Hagen, Calif.  | Moener        | Van Pelt         |
| Haley          | Montoya       | Wallhauser       |
| Harding        | Moorehead,    | Watts            |
| Hardy          | Ohio          | Weiss            |
| Harris         | Morris        | Wharton          |
| Harrison, Va.  | Mosher        | Whitener         |
| Harrison, Wyo. | Moss          | Whitten          |
| Harsha         | Murray        | Wickersham       |
| Harvey, Ind.   | Natcher       | Widnall          |
| Harvey, Mich.  | Nelsen        | Williams         |
| Hemphill       | Norblad       | Wills            |
| Henderson      | Norrell       | Wilson, Ind.     |
| Herlong        | Nygaard       | Winstead         |
| Hiestand       | O'Brien, N.Y. | Wright           |
| Hoffman, Ill.  | O'Hara, Mich. |                  |
| Hoffman, Mich. | Ostertag      |                  |

NAYS—135

|                |               |               |
|----------------|---------------|---------------|
| Addabbo        | Dulski        | Kelth         |
| Addonizio      | Dwyer         | Kelly         |
| Ashley         | Edmondson     | Kling, Calif. |
| Bailey         | Fallon        | Kluczynski    |
| Baring         | Farbstein     | Kowalski      |
| Barrett        | Felghan       | Lane          |
| Becker         | Finnegan      | Lankford      |
| Beckworth      | Flood         | Lesinski      |
| Bennett, Fla.  | Fogarty       | Libonati      |
| Bennett, Mich. | Friedel       | Lindsay       |
| Boland         | Fulton        | McDowell      |
| Brademas       | Gallagher     | Macdonald     |
| Bray           | Garmatz       | Machrowicz    |
| Brewster       | Gialmo        | Mack          |
| Burke, Ky.     | Gilbert       | Madden        |
| Burke, Mass.   | Granahan      | Mathias       |
| Byrne, Pa.     | Green, Oreg.  | Monagan       |
| Church         | Green, Pa.    | Moore         |
| Clark          | Griffiths     | Moorhead, Pa. |
| Coad           | Halpern       | Morgan        |
| Cohelan        | Hansen        | Morse         |
| Conte          | Hays          | Moulder       |
| Cook           | Healey        | Murphy        |
| Corman         | Hechler       | Nix           |
| Cunningham     | Hollifield    | O'Brien, Ill. |
| Daniels        | Holland       | O'Hara, Ill.  |
| Dawson         | Holtzman      | O'Konski      |
| Delaney        | Inouye        | Olsen         |
| Dent           | Johnson, Md.  | Osmer         |
| Denton         | Johnson, Wls. | Patman        |
| Derounian      | Karsten       | Pelly         |
| Diggs          | Karth         | Perkins       |
| Dingell        | Kastenmeyer   | Philbin       |
| Donohue        | Kee           | Pike          |

|               |             |                |
|---------------|-------------|----------------|
| Price         | St. Germain | Taber          |
| Pucinski      | Santangelo  | Thomas         |
| Randall       | Saylor      | Thompson, N.J. |
| Relfel        | Shelley     | Toll           |
| Rhodes, Pa.   | Shipley     | Tollefson      |
| Rodino        | Sibal       | Vanik          |
| Rogers, Colo. | Smith, Iowa | Van Sandt      |
| Rooney        | Stafford    | Whalley        |
| Rostenkowski  | Staggers    | Yates          |
| Roush         | Stratton    | Zablocki       |
| Ryan          | Sullivan    | Zelenko        |

NOT VOTING—59

|             |                 |                |
|-------------|-----------------|----------------|
| Alger       | Hébert          | Rabaut         |
| Anfuso      | Hoeven          | Reece          |
| Arends      | Joelson         | Reuss          |
| Ayres       | Johnson, Calif. | Rogers, Tex.   |
| Baker       | Jones, Mo.      | Roosevelt      |
| Blatnik     | Kearns          | Roussellot     |
| Boggs       | Keogh           | St. George     |
| Brooks, La. | Kilburn         | Saund          |
| Buckley     | Kirwan          | Siler          |
| Cahill      | Lennon          | Slack          |
| Carey       | McDonough       | Thompson, La.  |
| Celler      | Miller, N.Y.    | Vinson         |
| Cooley      | Milliken        | Walter         |
| Dague       | Morrison        | Weaver         |
| Fino        | Multer          | Westland       |
| Ford        | O'Neill         | Wilson, Calif. |
| Frazier     | Pfost           | Young          |
| Gray        | Pirnie          | Younger        |
| Hall        | Poff            |                |
| Halleck     | Powell          |                |

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Alger.  
 Mr. Joelson with Mr. Siler.  
 Mr. Slack with Mr. Poff.  
 Mr. Keogh with Mr. Hall.  
 Mr. Lennon with Mr. Hoeven.  
 Mr. Boggs with Mr. Kearns.  
 Mr. Powell with Mr. Roussellot.  
 Mr. O'Neill with Mr. Fino.  
 Mr. Morrison with Mr. Arends.  
 Mr. Multer with Mr. Baker.  
 Mr. Walter with Mr. Cahill.  
 Mr. Kirwan with Mrs. St. George.  
 Mr. Thompson of Louisiana with Mr. Weaver.  
 Mr. Anfuso with Mr. Wilson of California.  
 Mr. Frazier with Mr. Ayres.  
 Mr. Rogers of Texas with Mr. Ford.  
 Mr. Reuss with Mrs. Reece.  
 Mr. Roosevelt with Mr. Younger.  
 Mr. Johnson of California with Mr. Halleck.  
 Mr. Cooley with Mr. Westland.  
 Mr. Blatnik with Mr. Pirnie.  
 Mr. Buckley with Mr. Miller of New York.  
 Mr. Carey with Mr. Kilburn.  
 Mr. Celler with Mr. Milliken.  
 Mr. Gray with Mr. McDonough.

Mrs. GRANAHAH and Messrs. ROONEY, BRADEMAS, KARSTEN, MACHROWICZ, COOK, O'KONSKI, MOORE, and KEITH changed their votes from "yea" to "any."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER pro tempore. The Chair appoints the following conferees on the part of the House: Messrs. POAGE, GATHINGS, ARBITT, BELCHER, and TEAGUE of California.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9033. An act making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.



The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. ELLENDER, Mr. MAGNUSON, Mr. HOLLAND, Mr. PASTORE, Mr. SALTONSTALL, Mr. MUNDT, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

#### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION ACT OF 1962

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PASSMAN, GARY, CANNON, TABER, and RHODES of Arizona.

#### HOOR OF MEETING TOMORROW, SEPTEMBER 16, 1961

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### DISPENSING WITH CALENDAR WEDNESDAY AND PROGRAM FOR TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. BROWN. Mr. Speaker, reserving the right to object, can the majority whip tell us what the schedule will be for tomorrow? I understand we will finish the postal pay rate bill tomorrow.

Mr. ALBERT. There has been no change since the schedule was announced.

Mr. BROWN. No change?

Mr. ALBERT. No.

Mr. BROWN. After the action on the postal pay rate bill is concluded, then you will call up—

Mr. ALBERT. It is my judgment that that will be the last major piece of legislation today, the postal rate bill.

Mr. BROWN. That is, for today, but I understand if you cannot conclude it today and if we are to adjourn about 5:30, that it will be concluded tomorrow, and I presume it will be concluded before you call up the so-called disarmament bill.

Mr. ALBERT. That is the plan, I will say to the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT

Mr. HAYS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on the bill H.R. 8666.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(The conference report and statement follow:)

#### CONFERENCE REPORT (H. REPT. No. 1197)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8666) to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Mutual Educational and Cultural Exchange Act of 1961'.

"SEC. 101. STATEMENT OF PURPOSE.—The purpose of this Act is to enable the Government of the United States to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange; to strengthen the ties which unite us with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the United States and other nations, and the contributions being made toward a peaceful and more fruitful life for people throughout the world; to promote international cooperation for educational and cultural advancement; and thus to assist in the development of friendly, sympathetic, and peaceful relations between the United States and the other countries of the world.

"SEC. 102 (a) The President is authorized, when he considers that it would strengthen international cooperative relations, to provide, by grant, contract, or otherwise, for—

"(1) educational exchanges, (i) by financing studies, research, instruction, and other educational activities—

"(A) of or for American citizens and nationals in foreign countries, and

"(B) of or for citizens and nationals of foreign countries in American schools and institutions of learning located in or outside the United States;

and (ii) by financing visits and interchanges between the United States and other countries of students, trainees, teachers, instructors, and professors;

"(2) cultural exchanges, by financing—

"(i) visits and interchanges between the United States and other countries of leaders, experts in fields of specialized knowledge or skill, and other influential or distinguished persons;

"(ii) tours in countries abroad by creative and performing artists and athletes from the United States, individually and in

groups, representing any field of the arts, sports, or any other form of cultural attainment;

"(iii) United States representation in international artistic, dramatic, musical, sports, and other cultural festivals, competitions, meetings, and like exhibitions and assemblies;

"(iv) participation by groups and individuals from other countries in nonprofit activities in the United States similar to those described in subparagraphs (ii) and (iii) of this paragraph, when the President determines that such participation is in the national interest.

"(3) United States participation in international fairs and expositions, including trade and industrial fairs and other public or private demonstrations of United States economic accomplishments and cultural attainments.

"(b) In furtherance of the purposes of this Act, the President is further authorized to provide for—

"(1) interchanges between the United States and other countries of handcrafts, scientific, technical, and scholarly books, books of literature, periodicals, and Government publications, and the reproduction and translation of such writings, and the preparation, distribution, and interchange of other educational and research materials, including laboratory and technical equipment for education and research;

"(2) establishing and operating in the United States and abroad centers for cultural and technical interchanges to promote better relations and understanding between the United States and other nations through cooperative study, training, and research;

"(3) assistance in the establishment, expansion, maintenance, and operation of schools and institutions of learning abroad, founded, operated, or sponsored by citizens or nonprofit institutions of the United States, including such schools and institutions serving as demonstration centers for methods and practices employed in the United States;

"(4) fostering and supporting American studies in foreign countries through professorships, lectureships, institutes, seminars, and courses in such subjects as American history, government, economics, language and literature, and other subjects related to American civilization and culture, including financing the attendance at such studies by persons from other countries;

"(5) promoting and supporting medical, scientific, cultural, and educational research and development;

"(6) promoting modern foreign language training and area studies in United States schools, colleges, and universities by supporting visits and study in foreign countries by teachers and prospective teachers in such schools, colleges, and universities for the purpose of improving their skill in languages and their knowledge of the culture of the people of those countries, and by financing visits by teachers from those countries to the United States for the purpose of participating in foreign language training and area studies in United States schools, colleges, and universities;

"(7) United States representation at international nongovernmental educational, scientific, and technical meetings;

"(8) participation by groups and individuals from other countries in educational, scientific, and technical meetings held under American auspices in or outside the United States;

"(9) encouraging independent research into the problems of educational and cultural exchange.

"SEC. 103. (a) The President is authorized to enter into agreements with foreign governments and international organizations, in furtherance of the purposes of this Act. In such agreements the President is au-



87TH CONGRESS  
1ST SESSION

# H. R. 9033

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IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 1961

Ordered to be printed with the amendments of the Senate numbered

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## AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1962, namely:

6               TITLE I—FOREIGN ASSISTANCE

7               FUNDS APPROPRIATED TO THE PRESIDENT

8               For expenses necessary to enable the President to carry  
9       out the provisions of the Foreign Assistance Act of 1961,

1 to remain available until June 30, 1962, unless otherwise  
2 specified herein, as follows:

3 ECONOMIC ASSISTANCE

4 Development loans: For expenses authorized by section  
5 202 (a), ~~(1)\$1,025,000,000~~ \$1,200,000,000, to remain  
6 available until expended.

7 Development grants: For expenses authorized by section  
8 212, ~~(2)including \$2,673,000 for ocean freight, \$1,139,000~~  
9 ~~for Atoms for Peace, and \$24,925,000 for the malaria eradi-~~  
10 ~~cation program, \$259,000,000~~ \$334,000,000, to remain  
11 available until expended.

12 *(3)Development grants, special authorization: For assist-*  
13 *ance authorized by section 214(b) at the discretion of the*  
14 *President for an American sponsored trade school in Poland,*  
15 *\$100,000, to remain available until expended, to be used to*  
16 *purchase foreign currencies which the Department of the*  
17 *Treasury may determine to be excess to the normal require-*  
18 *ments of the United States.*

19 *(4)Surveys of investment opportunities: For expenses au-*  
20 *thorized by section 232, \$3,000,000, to remain available until*  
21 *expended.*

22 International organizations and programs: For expenses  
23 authorized by section 302, \$153,500,000.

24 Supporting assistance: For expenses authorized by sec-



tion 402, ~~(5)\$400,000,000~~ \$425,000,000, and, in addition, for supporting assistance for Spain as authorized by section 402, \$25,000,000, all of which to remain available until expended.

Contingency fund: For expenses authorized by section 451 (a), ~~(6)\$175,000,000~~ \$300,000,000.

Administrative expenses: For expenses authorized by section 637 (a), including the purchase of not to exceed twenty-five passenger motor vehicles for use outside the United States, ~~(7)~~in addition to those otherwise authorized, ~~(8)\$45,000,000~~ \$50,000,000.

#### MILITARY ASSISTANCE

Military assistance: For expenses authorized by section 504 (a), including administrative expenses authorized by section 636 (g) (1), which shall not exceed ~~(9)\$24,000,000~~ \$25,000,000 for the current fiscal year, ~~(10)~~construction of United States-owned facilities in the District of Columbia or elsewhere for the training of foreign military personnel, and purchase of passenger motor vehicles for replacement only for use outside the United States, ~~(11)\$1,600,000,000~~ \$1,700,000,000 ~~(12)~~to remain available until expended~~(13)~~: Provided, That to the extent that these funds have not been otherwise previously programmed amounts equivalent to the value of orders issued pur-

1 suant to the special authority granted in section 510(a) shall  
 2 be used to reimburse the appropriations financing the replace-  
 3 ment of goods or services furnished pursuant to such orders.

4 (14) DEPARTMENT OF STATE

5 Administrative and other expenses: For expenses author-  
 6 ized by section 637(b) of the Foreign Assistance Act of 1961  
 7 and by section 305 of the Mutual Defense Assistance Control  
 8 Act of 1951, as amended, \$6,000,000.

9 Unobligated balances (15) ~~(not to exceed \$50,000,000)~~  
 10 as of June 30, 1961, of funds heretofore made available (16)  
 11 for Military Assistance under the authority of the Mutual Se-  
 12 curity Act of 1954, as amended, are, except as otherwise pro-  
 13 vided by law, hereby continued available for the fiscal year  
 14 1962 for the same general purposes for which appropriated.

15 GENERAL PROVISIONS

16 SEC. 101. Amounts certified pursuant to section 1311  
 17 of the Supplemental Appropriation Act, 1955, as having  
 18 been obligated against appropriations heretofore made under  
 19 the authority of the Mutual Security Act of 1954, as amended,  
 20 for the same general purpose as any of the subparagraphs  
 21 under "Economic Assistance" except the subparagraph of  
 22 this title for "Administrative expenses", are hereby con-  
 23 tinued available for the same period as the respective appro-  
 24 priations in such subparagraphs for the same general  
 25 purpose.



1 (17)SEC. 102. None of the funds herein appropriated shall  
2 be used to finance the construction of any new flood con-  
3 trol, reclamation, or other water or related land resource  
4 project or program which has not met the standards  
5 and criteria used in determining the feasibility of flood con-  
6 trol, reclamation and other water and related land resource  
7 programs and projects proposed for construction within the  
8 United States of America as per circular A-47 of the  
9 Bureau of the Budget, dated December 31, 1952.

10       *SEC. 102. None of the funds appropriated herein under*  
11 *“Economic Assistance” (except funds used to make contribu-*  
12 *tions to international organizations or programs administered*  
13 *by such organizations) shall be used to finance the construc-*  
14 *tion of any new flood control, reclamation, or other water or*  
15 *related land resource project or program which is not based*  
16 *upon a computation of benefits and costs made insofar as*  
17 *practicable in accordance with the procedures applied to*  
18 *flood control, reclamation, and other water and related land*  
19 *resource programs and projects proposed for construction*  
20 *within the United States by Circular A-47 of the Bureau of*  
21 *the Budget, dated December 31, 1952.*

22       SEC. 103. Obligations made from funds herein appro-  
23 priated for engineering and architectural fees and services  
24 to any individual or group of engineering and architectural  
25 firms on any one project in excess of \$25,000 shall be re-

1 ported to the Committees on Appropriations of the Senate  
2 and House of Representatives at least twice annually.

3 SEC. 104. Except for the appropriations entitled "Con-  
4 tingency fund" and "Development loans", not more than  
5 20 per centum of any appropriation item made available  
6 by this title shall be obligated and/or reserved during the  
7 last month of availability.

8 SEC. 105. None of the funds herein appropriated nor  
9 any of the counterpart funds generated as a result of assist-  
10 ance hereunder or any prior Act shall be used to pay  
11 pensions, annuities, retirement pay or adjusted service com-  
12 pensation for any persons heretofore or hereafter serving  
13 in the armed forces of any recipient country.

14 SEC. 106. None of the funds herein appropriated shall  
15 be used to finance any of the activities under the Investment  
16 Incentive Fund Program.

17 SEC. 107. The Congress hereby reiterates its opposition  
18 to the seating in the United Nations of the Communist China  
19 regime as the representative of China, and it is hereby  
20 declared to be the continuing sense of the Congress that the  
21 Communist regime in China has not demonstrated its willing-  
22 ness to fulfill the obligations contained in the Charter of  
23 the United Nations and should not be recognized to repre-  
24 sent China in the United Nations. In the event of the seat-  
25 ing of representatives of the Chinese Communist regime in



1 the Security Council or General Assembly of the United  
2 Nations, the President is requested to inform the Congress  
3 insofar as is compatible with the requirements of national  
4 security, of the implications of this action upon the foreign  
5 policy of the United States and our foreign relationships,  
6 including that created by membership in the United Nations,  
7 together with any recommendations which he may have with  
8 respect to the matter.

9 SEC. 108. It is the sense of Congress that any attempt  
10 by foreign nations to create distinctions because of their  
11 race or religion among American citizens in the granting of  
12 personal or commercial access or any other rights otherwise  
13 available to United States citizens generally is repugnant  
14 to our principles; and in all negotiations between the United  
15 States and any foreign state arising as a result of funds  
16 appropriated under this title these principles shall be applied  
17 as the President may determine.

18 SEC. 109. None of the funds provided in this title shall  
19 be available for assistance to any country, the government  
20 of which sells arms, ammunition, or implements of war to the  
21 Castro regime, or which furnishes, by grant or loan, any  
22 military or economic aid to that regime, unless the President  
23 determines that the withholding of such assistance to such  
24 country would be contrary to the national interest.

25 (18) SEC. 110. Any obligation made from funds provided in

1 *this title for procurement outside the United States of any*  
 2 *commodity in bulk and in excess of \$100,000 shall be reported*  
 3 *to the Committees on Appropriations of the Senate and the*  
 4 *House of Representatives at least twice annually: Provided,*  
 5 *That each such report shall state the reasons for which the*  
 6 *President determined, pursuant to criteria set forth in section*  
 7 *604(a) of the Foreign Assistance Act of 1961, that foreign*  
 8 *procurement will not adversely affect the economy of the*  
 9 *United States.*

10 **(19)***SEC. 111. Public Law 87-195, approved September 4,*  
 11 *1961, is amended by inserting the following after the enact-*  
 12 *ing clause: "That this Act may be cited as 'The Foreign*  
 13 *Assistance Act of 1961' "*

14 **(20)***SEC. 112. It is the sense of Congress that in the admin-*  
 15 *istration of these funds great attention and consideration*  
 16 *should be given to those nations which share the view of the*  
 17 *United States on the world crisis.*

18 **TITLE II—DEPARTMENT OF THE ARMY—CIVIL**  
 19 **FUNCTIONS**

20 **RYUKYU ISLANDS, ARMY**

21 **ADMINISTRATION**

22 **For expenses, not otherwise provided for, necessary to**  
 23 **meet the responsibilities and obligations of the United States**  
 24 **in connection with the government of the Ryukyu Islands,**  
 25 **as authorized by the Act of July 12, 1960 (74 Stat. 461) ;**



1 services as authorized by section 15 of the Act of August 2,  
2 1946 (5 U.S.C. 55a), of individuals not to exceed ten in  
3 number; not to exceed ~~(21)\$3,000~~ \$4,000 for contingencies  
4 for the High Commissioner, to be expended in his discretion;  
5 hire of passenger motor vehicles and aircraft; purchase of  
6 four passenger motor vehicles for replacement only; and con-  
7 struction, repair, and maintenance of buildings, utilities, facili-  
8 ties, and appurtenances; ~~(22)\$6,089,000~~ \$7,835,000, of  
9 which not to exceed ~~(23)\$1,722,000~~ \$1,835,000 shall be  
10 available for administrative and information expenses: *Pro-*  
11 *vided*, That expenditures from this appropriation may be  
12 made outside continental United States when necessary to  
13 carry out its purposes, without regard to sections 355 and  
14 3648, Revised Statutes, as amended, section 4774 (d) of title  
15 10, United States Code, civil service or classified laws, or  
16 provisions of law prohibiting payment of any person not a  
17 citizen of the United States: *Provided further*, That funds  
18 appropriated hereunder may be used, insofar as practicable,  
19 and under such rules and regulations as may be prescribed  
20 by the Secretary of the Army to pay ocean transportation  
21 charges from United States ports, including territorial ports,  
22 to ports in the Ryukyus for the movement of supplies donated  
23 to, or purchased by, United States voluntary nonprofit relief  
24 agencies registered with and recommended by the Advisory

1 Committee on Voluntary Foreign Aid or of relief packages  
 2 consigned to individuals residing in such areas: *Provided*  
 3 *further*, That the President may transfer to any other depart-  
 4 ment or agency any function or functions provided for under  
 5 this appropriation, and there shall be transferred to any such  
 6 department or agency without reimbursement and without  
 7 regard to the appropriation from which procured, such prop-  
 8 erty as the Director of the Bureau of the Budget shall deter-  
 9 mine to relate primarily to any function or functions so  
 10 transferred.

### 11 TITLE III—EXPORT-IMPORT BANK OF 12 WASHINGTON

13 The Export-Import Bank of Washington is hereby  
 14 authorized to make such expenditures within the limits of  
 15 funds and borrowing authority available to such corporation,  
 16 and in accord with law, and to make such contracts and com-  
 17 mitments without regard to fiscal year limitations as pro-  
 18 vided by section 104 of the Government Corporation Control  
 19 Act, as amended, as may be necessary in carrying out the  
 20 programs set forth in the budget for the current fiscal year  
 21 for such corporation, except as hereinafter provided:

#### 22 (24) LIMITATION ON OPERATING EXPENSES

23 Not to exceed \$1,170,000,000 (of which not to exceed  
 24 \$600,000,000 shall be for development loans) shall be



1 obligated during the current fiscal year for other than  
2 administrative expenses.

3       LIMITATION ON ADMINISTRATIVE EXPENSES

4       Not to exceed \$3,010,000 (to be computed on an  
5 accrual basis) shall be available during the current fiscal  
6 year for administrative expenses, including services as au-  
7 thorized by section 15 of the Act of August 2, 1946 (5  
8 U.S.C. 55a) at rates not to exceed \$75 per diem for individ-  
9 uals, and not to exceed \$9,000 for entertainment allowances  
10 for members of the Board of Directors; and, in addition, not  
11 to exceed the equivalent of \$200,000 of the aggregate amount  
12 of foreign currencies made available to the Export-Import  
13 Bank for loans pursuant to the Agricultural Trade Devel-  
14 opment and Assistance Act of 1954, as amended, shall be  
15 available during the current fiscal year for expenses incurred  
16 by the Export-Import Bank incident to such loans: *Pro-*  
17 *vided*, That (1) fees or dues to international organizations  
18 of credit institutions engaged in financing foreign trade, (2)  
19 necessary expenses (including special services performed on  
20 a contract or fee basis, but not including other personal  
21 services) in connection with the acquisition, operation, main-  
22 tenance, improvement, or disposition of any real or personal  
23 property belonging to the Bank or in which it has an inter-  
24 est, including expenses of collections of pledged collateral,

or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance shall be considered as nonadministrative expenses for the purposes hereof.

#### TITLE IV—TREASURY DEPARTMENT

##### INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For payment of subscriptions to the Inter-American Development Bank, to remain available until expended, \$110,000,000 of which \$60,000,000 is for the second installment on paid-in capital stock and \$50,000,000 is for payment of the second installment of the subscription of the United States to the fund for special operations.

##### SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment of the second installment of the subscription of the United States to the International Development Association, \$61,656,000, to remain available until expended.

#### (25)TITLE V—PEACE CORPS

##### FUNDS APPROPRIATED TO THE PRESIDENT

*For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act, including purchase of not to exceed sixteen passenger motor vehicles for*



1 *use outside the United States, in addition to those otherwise*  
2 *authorized, \$40,000,000: Provided, That this paragraph*  
3 *shall be effective only upon enactment into law of S. 2000*  
4 *or H.R. 7500, Eighty-seventh Congress, or similar legis-*  
5 *lation to provide for a Peace Corps.*

## 6 TITLE VI—GENERAL PROVISIONS

7 SEC. 601. No part of any appropriation contained in this  
8 Act shall be used for publicity or propaganda purposes  
9 within the United States not heretofore authorized by the  
10 Congress.

11 SEC. 602. None of the funds herein appropriated shall  
12 be used for expenses of the Inspector General, Foreign As-  
13 sistance, after the expiration of the thirty-five day period  
14 which begins on the date the General Accounting Office or  
15 any committee of the Congress, or any duly authorized sub-  
16 committee thereof, charged with considering foreign assist-  
17 ance legislation, appropriations, or expenditures, has deliv-  
18 ered to the office of the Inspector General, Foreign Assist-  
19 ance, a written request that it be furnished any document,  
20 paper, communication, audit, review, finding, recommenda-  
21 tion, report, or other material in the custody or control of the  
22 Inspector General, Foreign Assistance, relating to any re-  
23 view, inspection, or audit arranged for, directed, or con-  
24 ducted by him, unless and until there has been furnished to  
25 the General Accounting Office or to such committee or sub-

1 committee, as the case may be, (26)(A) the document,  
 2 paper, communication, audit, review, finding, recommenda-  
 3 tion, report, or other material so requested (27)or (B) a  
 4 certification by the President that he has forbidden the fur-  
 5 nishing thereof pursuant to such request and his reason for  
 6 so doing.

7 (28)SEC. 603. *The appropriations and authority with re-*  
 8 *spect thereto in this Act shall be available from July 1, 1961,*  
 9 *for the purposes provided in such appropriations and au-*  
 10 *thority. All obligations incurred during the period between*  
 11 *June 30, 1961, and the date of enactment of this Act in*  
 12 *anticipation of such appropriations and authority are hereby*  
 13 *ratified and confirmed if in accordance with the terms thereof.*

14 SEC. (29)603 604. This Act may be cited as the  
 15 "Foreign Assistance and Related Agencies Appropriation  
 16 Act, 1962".

Passed the House of Representatives September 5, 1961.

Attest:

RALPH R. ROBERTS,

*Clerk.*

Passed the Senate with amendments September 15,  
 1961.

Attest:

FELTON M. JOHNSTON,

*Secretary.*





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# AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 1961

Ordered to be printed with the amendments of the  
Senate numbered









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
(For information only;  
should not be quoted  
or cited)

### CONTENTS

Issued September 27, 1961  
For actions of September 26, 1961  
87th-1st, No. 171

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HIGHLIGHTS: Senate passed supplemental appropriation bill. Both Houses agreed to conference report on foreign aid appropriation bill. Both Houses agreed to conference report on public works. Sen. Dirksen criticized administration's farm program.

### HOUSE\*

1. APPROPRIATIONS. ~~Both Houses agreed to the conference report on H. R. 9076, the public works appropriation bill for 1962, and acted on amendments in disagreement. This bill will now be sent to the President. pp. 20071-6, 19984-97~~  
Both Houses received and agreed to the conference report (H. Rept. 1270) on H. R. 9033, the foreign aid appropriation bill for 1962, and acted on amendments in disagreement. This bill will now be sent to the President (pp. 20112-8, 20066-70). As passed this bill provides \$1,112,500,000 for development loans, \$334 million for development grants, and \$30 million for the Peace Corps.  
~~Agreed to a resolution for sending H. R. 9169, the supplemental appropriation bill, to conference and appointed conferees (pp. 20127-9). Earlier, Rep. Gross objected to sending this bill to conference. pp. 20118-9~~

2. EDUCATION. Rep. Hoffman inserted an article, "On the Mass Education of Scientists," criticizing the limitation of Federal aid to education to "supposedly superior intellectuals." p. 20109

### SENATE\*

3. SUPPLEMENTAL APPROPRIATION BILL, 1962. Passed with amendments this bill, H. R. 9169 (pp. 19945-8, 19970-79, 20005-6, 20018-26). Conferees were appointed (p. 20026). Agreed to the committee amendments en bloc, and the bill as amended

was considered as original text for purposes of further amendment (pp. 19945-19970-1). Agreed to amendments by Sen. Russell to increase the item for emergency conservation measures from \$3,000,000 to \$5,000,000 and to increase the item for additional loan authorization for soil and water conservation loans by the Farmers Home Administration from \$5,000,000 to \$8,000,000 (pp. 19976-7). Agreed to an amendment by Sen. Hill to provide an additional \$429 million for compliance activities and an additional \$594 million for salaries and expenses of the Mexican farm labor program, provided H. R. 2010 extending the program is approved by the President (pp. 19977-8). See Digests 168 and 169 for other items of interest to this Department.

4. FARM PROGRAM. Sen. Dirksen criticized the administration's farm policies, stating that "the agricultural history which is being written by this administration is a costly and dramatic example of government intervention, with further intervention and failure as the inevitable end products." pp. 20038-40  
Sen. Williams, Del., inserted an article "to the effect that the Secretary of Agriculture will throw a considerable amount of corn on the market during the fall harvest in order to force the price of corn down to \$1 a bushel." p. 20040  
Sen. Williams, Del., inserted an article calling attention to a golf club that received "\$228.21 last spring as an advance payment for taking 14 acres of land out of production of corn." p. 20040  
Sen. Carroll inserted "a series of profound yet lucid articles on our national 'farm problem.'" pp. 20030-5  
Sen. Wiley inserted his summary and evaluation of the accomplishments of Congress this session, including comments on agriculture. pp. 20003-5  
Sen. Javits inserted his annual report on accomplishments of Congress this session, including comments on agriculture. pp. 20046-50
5. FORESTRY. Sen. McGee inserted a letter to the President "petitioning him to give additional consideration to lagging programs in the Forest Service," and a "report from the White House ... explaining and developing the President's own new position on the economic development of our national forests." pp. 19959-61  
At the request of Sen. Humphrey, the President's message on development of the national forests was referred to the Appropriations Committee, the Interior and Insular Affairs Committee, and the Public Works Committee, in addition to the Agriculture and Forestry Committee. p. 20040  
Sen. Metcalf inserted the legislative report from this Department on S. 1760, to establish the Great Basin National Park In Nevada. p. 20061
6. FOREIGN AID. Sen. McGee inserted a number of tables that "attempt to relate our foreign aid effort in terms of our gross national product, in terms of our annual budgetary endeavors, and in terms of a number of other economic yardsticks for comparative measurement." pp. 19961-2
7. DAIRY. Sen. Wiley inserted his letter to Secretary Freeman urging the "stock-piling of properly packaged evaporated milk, cheese, butter, and milk powder for emergency use in case of sudden nuclear attack on the United States." pp. 19967-8
8. SOIL BANK PAYMENTS. Sen. Williams, Del., referred to a wire service report that Secretary Freeman had cancelled six soil bank contracts which would have brought a rancher \$271,000 over a 10-year period," commended the action of the Secretary, and inserted his own statement critical of the contracts with the rancher. pp. 19997-8



them included in the committee report and in the debates in the House and in the Senate, in justification of this bill.

Therefore, I am proceeding to show just what would be the tax consequences of this irrelevant plan which no longer is under consideration.

Mr. CARROLL. I thank the Senator from Tennessee, and I shall continue to follow with great interest his presentation.

Mr. GORE. I thank the Senator from Colorado.

Mr. President, let us suppose a retired person owns 10 shares of Du Pont stock, and let us assume that the divestiture occurs over a 10-year period—as permitted by the decision of the Supreme Court. That retired person would have an added income—in addition to his taxable income, if he had one—of \$60 a year. If the stockholder was a retired person who was dependent on a few investment plus social security, he would likely not be an income tax payer at all.

Yet many of the so-called retired persons who may have invested in a few shares of Du Pont stock have been propagandized and urged to write to their Representatives and Senators and ask them to vote for the passage of a bill which is essentially for the benefit of the Du Pont Co., and for the benefit of the Christiana Corp., and for the benefit of other corporations which own Du Pont Co. stock, and for the benefit of individual stockholders who are in the high income-tax brackets. This situation illustrates very well one of the differences between taxing individual stockholders and taxing the company—a matter to which the able junior Senator from Colorado has referred.

Mr. President, if the stockholder I have described is in a bracket above the 20-percent tax bracket, certainly he is not in dire need.

A taxpayer who is in the 20-percent bracket, in this situation, will have, under existing law, which has been described as harsh, added to his tax bill the amount of \$1 per month. Is it for these stockholders that all the pressure for passage of this bill has been built up? I think not.

Yet I have been hearing from many of them. Perhaps the Senate would be interested in knowing that the State which I have the honor to represent, as one of its Senators, ranks fifth in the operations of the Du Pont Co. I believe there are approximately 7,000 employees of the Du Pont Co. in my State. Many of them have bought small holding of Du Pont Co. stock, and many of them have been misled into believing that this bill is for their benefit. But it is not.

Of course, one cannot afford to take a position on a complicated, technical, difficult, and very important piece of legislation merely by counting the number of letters he receives for it and the number he receives against it, or by weighing the mail he receives for it and the mail he receives against it. I hope we can examine this bill objectively.

I believe that the pressure for the passage of the bill does not come from taxpayers in the 20-percent bracket, or the zero bracket retired workers, widows, or

orphans, unless they have been misled, but comes from the corporation officials and the high tax bracket stockholders.

In this connection, here is a footnote from the brief filed by the United States with the Supreme Court in 1960.

For Du Pont stockholders in the 1-100 share group, estimated by National Analysis as constituting 80 percent of the stockholders who are individuals or individual trust beneficiaries (DX 24, R. 3030), the tax impact of the Government's judgment proposal would be very low (R. 1486). Sumner Emerson, a principal defense witness, testified that on the average a person in this stockholder group would be in the 30 percent income tax bracket, would have an income ranging from \$16,000 to \$20,000, and would, under the Government's judgment proposal, pay an additional tax of less than \$50 a year (R. 1488).

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Is this the equivalent of a statement which appears on the preceding page of the Senator's manuscript—namely, that there were 210,000 domestic shareholders in the Du Pont Co., and that about 170,000 owned less than 100 shares, and that a rough computation indicates that 170,000 is approximately 80 percent of the 210,000?

Mr. GORE. That is an approximation.

Mr. DOUGLAS. But previously the Senator from Tennessee said 170,000 own less than 100 shares, whereas on the second page of his manuscript it is stated that these form the 1 share to 100 share group—implying that the 100-share owners are included in the second category. Will the Senator at an appropriate time clarify as to whether the 100 shareowners are included—because, as he previously stated, 100 shares is a convenient number of shares which a great many persons purchase.

Mr. GORE. Yes, I shall do so.

Mr. McNAMARA. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. McNAMARA. I should like to ask whether I correctly understand that the Treasury Department has stated that it has no objection to this bill.

Mr. GORE. I should like to read the statement by the Treasury Department; it is rather peculiar.

I read from near the end of the letter of Mr. Knight, General Counsel of the Treasury:

If Congress should pass S. 2266, modified to include our suggestions, this Department would not object to its becoming law, although we take no position with respect to the need or desirability of tax relief in antitrust divestiture cases.

I think one should realize that the bill has been changed since that letter was written. I could not determine whether the Treasury was for the bill or against the bill. I really raise no question about the statement in the committee report, which concludes with the following statement:

The Treasury Department and the Department of Justice do not object to enactment of the substitute for the committee amendment to H.R. 8847.

Mr. McNAMARA. I think that serves my purpose.

The Treasury Department displays an interesting set of values in this instance, as I see it. The Senator has pointed out some examples of how this matter affects taxpayers. I wish to ask the Senator if he knows about the situation which I shall now describe. Not quite a year ago one of Detroit's three daily newspapers, the Detroit Times, suddenly sold out, and, literally overnight, hundreds employees were without jobs, having had absolutely no advance warning.

Fortunately, they had some protection through the contract between the Newspaper Guild and the Times, which provided severance pay under the formula of 2 weeks pay for each year of service. In some cases, this meant thousands of dollars in severance pay to an individual. But the money was paid the former employees in the 1960 tax year, which meant it was lumped together with other 1960 earnings for income tax purposes.

This put them into higher income tax brackets, forcing them to pay out huge portions of the severance pay in taxes, all at a time when they were without jobs. Even today many of them still have not found employment.

Yet when we asked the Treasury Department if there was not some way taxes on the severance pay might be spread out over a period of years, at least for those still without employment, the pleas were turned down. "We cannot do that," said the Treasury Department. "Severance pay is income under the law, and full taxes must be paid."

Then there was this interesting comment from the Treasury, and this is an exact quotation:

It is very difficult for the law to be written to take into account all of the varied, individual circumstances of each taxpayer. It may well be, therefore, that if relief is to be given in the case you describe, it should be by some means other than through the tax laws.

Then we come to the Du Pont case, and great alarm is expressed about the possible harm to the poor stockholders.

Mr. GORE. To whom dividends are income, just as severance pay is income.

Mr. McNAMARA. Exactly.

Here the existing law is not quite good enough. The Treasury Department says it has no objection—apparently deciding it is not too difficult, after all, to write a new law to take into account some new circumstances that it could not consider in other cases.

Mr. GORE. When did this situation occur?

Mr. McNAMARA. Less than a year ago.

Mr. GORE. Did the Secretary of the Treasury so hold?

Mr. McNAMARA. I am able to identify the quotations. I have quoted Stanley S. Surrey, Assistant Secretary of the Treasury. These are his quotes. I think he is still in the Treasury Department.

Mr. GORE. He is.

Mr. McNAMARA. That is why I say there is an entirely different reasoning in a similar situation. One of these groups consisted of working people; the other group consists largely of people



who live on income. At least, a great many of them do.

Mr. GORE. I am disappointed that our Treasury Department—

Mr. McNAMARA. Seems to have a double standard.

Mr. GORE. Seems to measure severance pay by one yardstick and dividends by another.

Mr. McNAMARA. The severance pay benefits were developed over a long period of years, in some cases, 15, 20, or 30 years. The Department decided they could not even be treated as capital gains, but only income for 1960—not even for 1961. Many of them are still out of work. So the suffering taxpayers we are discussing seem to be those who least need help by way of legislation at this time.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 13, 18, 19, and 20 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 3 and 27 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H.R. 6775) to amend the Shipping Act, 1916, as amended, to authorize ocean common carriers and conferences thereof serving the foreign commerce of the United States to enter into effective and fair dual rate contracts with shippers and consignees, and for other purposes, and it was signed by the President pro tempore.

Mr. HAYDEN. Mr. President, will the Senator yield to me so we may take up the foreign aid conference report?

Mr. GORE. Mr. President, I yield for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the

two Houses on the amendments of the Senate to the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN obtained the floor.

Mr. McNAMARA. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. McNAMARA. Would it be possible to tell the Senate what is the total amount arrived at by the conferees?

Mr. HAYDEN. I have a table which shows the amounts.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me? I believe I have the figures available.

Mr. HAYDEN. I yield.

Mr. McNAMARA. I wish to know the total.

Mr. SALTONSTALL. In new money for title I the total is \$3,914,600,000. We should add to that the \$30 million for the Peace Corps, and unobligated balances of \$69,533,000, and the total is then \$4,014,133,000. If we add the Ryukyu Islands, the Inter-American Development Bank, and the Inter-American Development Association, there is a total for all five titles in the bill of \$4,192,878,000.

Mr. McNAMARA. \$4.1 billion plus.

Mr. SALTONSTALL. Nearly \$4.2 billion.

Mr. HAYDEN. Mr. President, the total of this bill as it passed the House of Representatives was \$3,835,245,000, not including \$25 million of unobligated balances which the House continued available.

The bill as it passed the Senate contained \$4,416,091,000, not including \$106,412,000 of unobligated balances which were continued available by the Senate.

The final agreement in conference on the total of the bill is \$4,123,345,000, not including \$69,533,000 of unobligated balances.

Mr. President, the conferences on this bill were very difficult. There were several separate conferences.

The Senate conferees approved the report unanimously and I believe the amount which has been agreed to is fair and equitable. If Senators will examine the figures closely, they will find that the final agreement is almost a fifty-fifty split between the two bodies.

For many years, the foreign aid appropriation bill has carried a confirmatory provision. It was eliminated this year since activities may be conducted during the interim period prior to the enactment of the appropriation bill so long as they fall within an appropriation category which existed in the prior fiscal year.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McGEE. Many Senators are concerned about the lack of adequate information on the foreign aid program which is made available by the executive branch to their constituents and to the American people generally. The Foreign Relations Committee of the Senate has said in a recent report that it believes that much of the public misunderstanding of the mutual security program can be traced to lack of information about it. The committee observed that many of the criticisms of the program could be answered by a greater disclosure of the facts. The committee urged the executive branch to use all appropriate media to make more information about the program available to the American people. I understand that the Foreign Affairs Committee of the other body has also urged the executive branch to make fuller information on the program available to the public.

I note that section 601 of the appropriations bill provides that no appropriated funds shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress. I should like the views of the distinguished chairman of the Appropriations Committee to be sure I understand correctly that this section will not inhibit the executive from using funds to continue and increase its efforts to provide full information to the American people about the program through all means and media as requested by the Foreign Relations Committee and to provide information about the Peace Corps, including the furnishing of recruiting materials.

Mr. HAYDEN. Mr. President, the Senator's understanding is correct. The purpose of the section is to prevent the use of foreign aid and Peace Corps funds for propaganda. It is not intended to prevent or inhibit the use of funds by the executive to continue and increase the provision of information on these programs to the American people. Our democratic form of government depends on an informed electorate.

Mr. McGEE. I thank the chairman of the committee for his contribution.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. PASTORE. At this time I have nothing but words of compliment for the conferees both of the House and of the Senate as to reaching an agreement on the so-called foreign aid bill. I think the amount arrived at is satisfactory to the administration.

As a matter of fact a substantial amount was restored over the cut by the House. For the contingency fund of the President, the House allowed \$175 million. The conference raised that to \$275 million, which is \$25 million below the amount requested by the Bureau of the Budget.

Furthermore, we made certain in the bill that the unobligated amount of \$8.9 million in the contingency fund would be preserved and reappropriated for the purpose of being used in the President's contingency fund.



The Senate should know at this time that while it was an arduous conference and while there was a vast difference between the House and Senate conferees at the beginning, at the end the difficulties were resolved to the satisfaction of all.

I believe the administration can take great comfort and satisfaction in the amount reached. The House gave very little. The Senate gave even less. All round, it was a very satisfactory result.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. SPARKMAN. I am glad the Senator from Rhode Island made those remarks. I think a very fine job has been done in the handling of the conference on the bill, and that the outcome should be a measure of satisfaction to everyone interested in a good foreign aid program.

I commend the Senator from Arizona and all members of his committee, and particularly those who worked with him in the conference, for what has been done.

Mr. President, the Senator from Arkansas [Mr. FULBRIGHT] who is chairman of the Committee on Foreign Relations, had a statement he wished to make. I shall give it as it would have been given by the Senator from Arkansas [Mr. FULBRIGHT]. It applies to me also, because I was one of the conferees on the foreign authorization bill. I believe this statement should be a part of the RECORD.

I note that on page 3 of its report the Committee on Appropriations states that, while the Foreign Assistance Act omits authority to use certain payments from foreign governments for financing development loans, such payment will constitute resources from which development loan appropriations may be made.

As I recall, the foreign assistance bill as introduced authorized the use for development loans of Japanese payments to be made for assistance furnished under the government and relief in occupied areas—GARIOA—program. I understand that on June 10, 1961, Japan and the United States initialed a memorandum pursuant to which an agreement will be concluded providing for the repayment of \$490 million for postwar economic assistance, including GARIOA, on the understanding that the United States will utilize the major portion of the repayments for development assistance, subject to appropriate legislation by the United States.

As a conferee on the Foreign Assistance Act, I wish to make it clear that in deleting the provision specifically authorizing the use of Japanese repayments for development loans, neither the conference committee, nor, I believe, the Congress in adopting the conference report, was in any way rejecting the principle underlying the United States-Japanese agreement on this matter. Indeed, I think that at least in this particular case the Congress endorses the principle that the returns of earlier aid programs be put to work in new programs abroad, and I am pleased that the Senate Appropriations Committee has so stated.

Mr. SALTONSTALL. Mr. President, I am informed by the minority leader, the Senator from Illinois [Mr. DIRKSEN], that he wishes to be present and make a remark or two before the conference report is acted upon. He was in the caucus room, and I am informed that he is now on his way to the Chamber. In order to give him a minute to arrive, I doubt the presence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN entered the Chamber.

Mr. SALTONSTALL. Mr. President, the purpose for which I doubted the presence of a quorum has now been resolved. I ask unanimous consent to withdraw my doubt.

The PRESIDING OFFICER. Without objection, the order for the quorum call will be rescinded.

Mr. DIRKSEN. Mr. President, I know something about the difficulties that face conferees in their consideration of a foreign aid bill. For many years I served as a conferee and I know how warm tempers can become, and, many times, how acrimonious exchanges between Members of the House and the Senate can be. I have participated in some very testy and acrimonious exchanges in the past. They are very trying to temperaments, patience, and the spirit of everyone concerned.

First, I congratulate and compliment the very distinguished chairman of the Committee on Appropriations, who, through his gentility and kindness, has exerted a great influence on the conferees.

I extend an equal compliment to the very distinguished Senator from Massachusetts [Mr. SALTONSTALL], who served as the chairman of the minority contingent, and who has helped to "carry the ball."

I am glad to see that affinity of viewpoint between the chairman and the distinguished Senator from Massachusetts. The bill has already been a subject of great interest to me. I have had some conversations with the President about the importance of the bill. I know the deep and abiding interest of our former President, General Eisenhower, who has manifested a continuing interest right up to the last in the hope that Congress would not shortchange the administration, because foreign aid is one of the instrumentalities by which we can reach into the corners of the earth to deal with the Communist menace of penetration and infiltration.

We sometimes think of the problem as one in a military frame. I think probably the economic drive that the Communist empire is making in the world today is more dangerous perhaps than the military threat, for if perchance at any time our outlets of goods, commodities, and services to all parts of the world should be not only foreshortened but restricted to a point at which we would become a hemisphere unto ourselves, I dread to think what would finally happen to the American economy. I rather foresee that the hand of control on every facet of American life would finally have to be imposed.

That is one of the reasons why this subject has always been of transcendent interest to me.

I salute the distinguished chairman and all the conferees for the patience they have manifested. I could see that an element of pride as between the House and the Senate was beginning to assert itself, and probably an element of pride as between the House and the executive branch itself. I am always distressed when such a condition develops, because it seems to destroy perspective and the viewpoint that is necessary in estimating the impact of the program worldwide upon the ultimate destiny of the United States. I think the conferees have done an excellent job under the circumstances. There are items that I had hoped would be increased. I thought that the contingency fund of the President of the United States should have been kept intact in its entirety. This is a critical situation.

We are beset with perils of all kinds; and who shall say at what time and where the difficulties will erupt in the world that will require immediate and almost precipitant action on the part of the President of the United States?

So I wanted to do for President Kennedy exactly what in other years I have undertaken to do for President Eisenhower. I wanted to keep intact a fund that would be available for those imponderable and unpredictable conditions that so rapidly develop in all sections of the world.

But, notwithstanding my own feelings in the matter, I think in the main the conferees consummated a good job. I am content at the moment to go along with the conference report.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. I wish to associate myself with the remarks of the distinguished minority leader. I know at first hand how invaluable he has been in trying to bring out the kind of program and appropriation which will do the most good for our country in the difficult period in which we find ourselves at the present time.

I also wish to compliment the Senate conferees, who I think performed magnificently in the most important field of foreign relations. I am glad at long last we have reached the end of the road on this particular program in this particular year.

Mr. DIRKSEN. I am delighted and happy over the observations of the distinguished majority leader. On occasion it has been said that the President of the United States has undertaken to exercise some blandishments on the minority leader. Well, it intrigues me somewhat, because blandishments, after a sustained and almost continuous service for a period of 28 years in the National Legislature, have no particular impact on me. I try always to see things in perspective, and to be impelled by a sense of conviction as to what the country ought to do.

It is only a week or 10 days ago that the distinguished chairman of the Appropriations Committee, the distinguished majority leader, and I attended



with the President. At that time he indicated his deep and vital interest in this program. Among other things he asked on that occasion:

What it is that we have to offer finally for this aid. That necessarily has to be expressed in terms of money. It must be expressed in terms of money. There is no other way that we can do it. Whether it is goods, services, commodities, technical help, or what it is, always and always it is attended by the dollar sign.

So out of it comes deep controversy as to what we have done, and whether, after all, we have overreached the resources and the capacity of our own blessed land. I have no other answer for it. We can abandon our efforts and forfeit our position; we can withdraw from those areas where we are offering help, and finally let Communist penetration and infiltration become complete.

If that happens, we must necessarily conclude that we are on a fortress basis on our own hemisphere, and then the very survival of our country and of free, competitive enterprise, and of the survival of freedom itself, both on the national and individual basis, are in definite jeopardy.

On that point I agree with the President of the United States.

I did resist, of course, his original proposal for a 5-year program, under which bonds might be issued at his fiat and sold to the Treasury, the money committed to a distribution however he saw fit. Congress in its wisdom decided otherwise, and I think it was a wise decision. As a result, planning is still available, but the Congress still has annual scrutiny over the appropriations that shall be made.

I believe it is, after all, a happy compromise. The President can do his planning in a world that is filled with fever and uncertainty. If this fails, then all fails, and I, for the moment, at least, have no answer for the problems and for the challenges that are on the doorstep of America.

This is indeed a strange and dangerous contemporary period in the life of this Republic. We must fortify and uphold the hand of the Chief Executive because he is the director of our foreign policy. We must uphold his hand as Commander in Chief of the United States. I made that kind of plea when a Republican President was in the White House. I will do no less in my devotion to the salvation and survival of my own country today, and will do the same for a Democratic President. I hope he will find this solution on the appropriations side rather satisfactory. If not, he always has the alternative of coming back in the new session for whatever he may need in order to carry on his policies and his programs in the interest of our national salvation.

Once more I compliment those who through trial and patience have worked out what appears to be a very satisfactory compromise.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from New York.

Mr. KEATING. I wish to associate myself with the distinguished minority leader in expressing the gratitude of all of us to the distinguished and beloved chairman of the Appropriations Committee, to the Senator from Massachusetts, and to the other members of the committee who worked so hard on this matter. I know it has been a trying task. I wish particularly to express my gratification over the fact that there has been retained in the conference report language which several Senators joined with me in cosponsoring, to give some effect to the consideration which should be given, in the words of President Kennedy, to those nations which share the view of the United States on the world crisis. This amendment was important. I am delighted that the House was willing to accept it. I appreciate the action of the conference committee in retaining the language in the bill.

Mr. President, the purpose of the amendment is not to deny aid to nations which pursue a genuine and honest course of neutrality, nor to refuse assistance to the peoples in countries who apparently share our ideals of freedom and representative government. The purpose of the amendment is simply to serve warning on those nations who are trying to play the United States off against the Soviet Union, which are perfectly willing to criticize the United States, but never seem able to raise their voices against the Soviet Union. There is no reason why the taxpayers of the United States should bear an increasing burden to provide aid to countries where American motives are continually distorted and criticized and where no honest attempt is made by the Government to combat Communist propaganda and spread the truth about U.S. policies.

Mr. President, I have supported the foreign aid program this year as I supported it in the past. I went along with the President's proposals for a 5-year plan when a compromise was devised for a continuing congressional oversight through reports to four different congressional committees of loans over \$5 million. I believe the foreign aid program is an important part—although only one part—of our Nation's efforts to combat communism. At the same time, I believe that at this point in world events we would be injuring rather than helping the cause of freedom if we did not carefully consider concentrating our assistance on those countries which have an appreciation of the real meaning of freedom and economic progress.

Mr. President, although this amendment is not binding legislation but only expresses the sense of Congress, I am still very glad that it has been accepted by the House conferees. I think it is an important expression of the thinking of the American Congress and also, I am sure, of the majority of the American people on the manner in which our foreign aid funds should be expended. I congratulate the hard working and dedicated Senate conferees on retaining this language in the bill as well as on their other even more arduous labors in bring-

ing out an acceptable conference report on this bill.

I join my colleague from Illinois in his expression of disappointment that it was not possible to include the full amount for the President's contingency fund. I know our conferees did all they could. I feel that, whoever the President is, in these uncertain times this is a very important element. I would have liked to have the full amount retained. Of course it is not far from it. I agree with what the distinguished minority leader has said about our obligation on this side of the aisle to stand with the President in these days.

Mr. DIRKSEN. I yield to the senior Senator from New York.

Mr. JAVITS. Mr. President, it will be recalled that I sought to strengthen the hand of the conferees when they went to conference. Upon the expression of the conferees, particularly the expression of my distinguished colleague from Massachusetts [Mr. SALTONSTALL] who very rarely speaks as decisively as he did on that point, I withdrew my motion for instruction of the conferees.

I would like to state, therefore, that I am very pleased with the way this matter went in conference.

I join my colleague from New York, Senator KEATING, in speaking of Senator HAYDEN as our "beloved colleague." I served with him on the Committee on Rules and Administration, and I know that he occupies a very warm place in the hearts of all of us. Therefore, it is especially gratifying to pay him tribute in respect to this very difficult negotiation. I am deeply grateful also to the Senator from Massachusetts, and to all the other members of the conference committee who have worked this out. I would like to say that the conference committee who have worked this out. I would like to say that the confidence which he asked we place in him has certainly been thoroughly justified by the record.

I should like to add only one further point. I notice that the amount for the survey of investment opportunities has been materially cut. I hope that we may consider this as an experiment. I am glad to see it retained in the bill. I know that the House opposed it. I hope that we may consider it as an experiment, because I feel deeply that private enterprise participation in this program is the greatest potential we have for really doing the job adequately.

Making private borrowers eligible for the Development Loan Fund will prove to have a tremendous effect upon the scope of our program. I am therefore very much interested to note that we did sustain the strong position taken in the Senate, and that it is rather on the high side instead on the low side of the Development Loan Fund. For that reason, if private enterprise is to be an eligible borrower, it ought to have some source to which it can go which is reasonably adequate.

I mark these points especially. I am glad to note that the conferees on the part of the Senate stood up, as is shown in the RECORD.



Mr. DIRKSEN. Mr. President, before I conclude I would feel a little remiss if, as a former member of the Appropriations Committee, I did not salute and pay testimony to one of the greatest public servants I have ever known, Tom Scott, who is the acting chief clerk of the Committee on Appropriations. I have served with him over a long period of time; and early and late, whether it be day or night, he has always been available and always cheerful, no matter what the hour, in serving the members of that committee, and, in fact, every Member of the Senate.

I do not know how many times I have called him after I left the committee to seek advice, because somehow or other he has the figures and the authentic, authoritative advice at his fingertips.

In the committee, we know him affectionately as "Tommy." Everyone knows him. Everyone makes a path to his door.

So tonight, in that affectionate spirit, Tommy, I simply say to you: What a great tower of strength you have been, along with all your other associates in the Committee on Appropriations. You deserve a tribute of respect and affection, not merely because you serve the committee, but because you serve the people of the United States.

Sometimes when I have sought answers—and they were always forthcoming—perhaps I was a little chagrined; but never did you depart or deviate from what you thought was correct. That makes you a great public servant.

I feel certain that every member of the Committee on Appropriations and every Member of the Senate joins in paying a deservedly high tribute to you for what you have done for the country.

Mr. HOLLAND. Mr. President, as one who has never before served on the Foreign Aid Conference Committee, I hope I may be permitted to make two comments growing out of my service on the committee of conference.

First, in addition to a feeling of the deepest gratitude to the chairman of the committee of conference and to the ranking minority member, I wish to make it clear that one of the impressions with which I came out of the conference, which will always be a lasting one, is that the feeling of bipartisanship which prevailed throughout the conference was, to me, very wholesome to witness in this kind of situation. Not only did that feeling prevail on the Senate side and as to every conferee, regardless of some diversity of opinion, which was known in advance; it prevailed also on the House side; and it prevailed in the conference as a whole.

It seems appropriate to remark that it must have been confidence-inspiring to the country to observe two former Presidents, who are still active, President Eisenhower and President Truman, both backing the present President, who faces emergencies in this critical time. To me, it was confidence inspiring to see the real show of bipartisanship which prevailed throughout the conference and which shows up in the result of the conference.

Second, the outcome of the conference should add to the impression which I think the country already has, namely, that it will be confidence-inspiring to have the Committees on Appropriations of the two Houses review this very important, very expensive, and, in many respects, very unpopular program every year. It will be considered upon its merits and upon the performance of those who handle it, before we hand down our judgment. In this instance, it was shown to be a fair judgment, a nonpartisan judgment, one which I think showed an appreciation of the fact that we do have such critical times and such serious problems as to call for real sacrifice in this field.

It was an honor to serve on the committee of conference. I shall carry many happy recollections out of what

was one of my most arduous experiences during my service in the Senate.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 9033, which was read as follows:

*Resolved*, That the House recede from its disagreement to the amendments of the Senate numbered 13, 18, 19, and 20 to the bill (H.R. 9033) entitled "An act making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes", and concur therein:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and concur therein with an amendment, as follows: Strike out the word "trade" and strike out the words "to remain available until expended,".

That the House recede from its disagreement to the amendment of the Senate numbered 27, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

"or (B) a certification by the President, personally that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing".

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 3 and 27.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparative statement of the appropriations for 1961, the amounts in the House and Senate bills by appropriation item, and the final conference agreement on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

*Comparative statement of appropriations for 1961 and estimates and amounts recommended in bill for 1962*

TITLE I—FOREIGN ASSISTANCE

| Item                                                    | Appropriations,<br>1961 | Budget estimates, 1962<br>(revised) | Recommended<br>in House bill<br>for 1962 | Amount recommended<br>by Senate | Conference<br>action |
|---------------------------------------------------------|-------------------------|-------------------------------------|------------------------------------------|---------------------------------|----------------------|
| FUNDS APPROPRIATED TO THE PRESIDENT                     |                         |                                     |                                          |                                 |                      |
| ECONOMIC ASSISTANCE                                     |                         |                                     |                                          |                                 |                      |
| Development loans.....                                  | \$600,000,000           | \$1,200,000,000                     | \$1,025,000,000                          | \$1,200,000,000                 | \$1,112,500,000      |
| Development grants.....                                 |                         | 380,000,000                         | 259,000,000                              | 334,000,000                     | 296,500,000          |
| Development grants, special authorization.....          |                         |                                     |                                          | 100,000                         | 100,000              |
| Surveys of investment opportunities.....                |                         | 5,000,000                           |                                          | 3,000,000                       | 1,500,000            |
| Development research.....                               |                         | 20,000,000                          |                                          |                                 |                      |
| International organizations and programs.....           |                         | 153,500,000                         | 153,500,000                              | 153,500,000                     | 153,500,000          |
| Supporting assistance.....                              |                         | 581,000,000                         | 400,000,000                              | 450,000,000                     | 425,000,000          |
| Contingency fund.....                                   | 250,000,000             | 500,000,000                         | 175,000,000                              | 300,000,000                     | 275,000,000          |
| Administrative expenses.....                            | 38,000,000              | 51,000,000                          | 45,000,000                               | 50,000,000                      | 47,500,000           |
| Administrative expenses (State).....                    | 8,000,000               |                                     |                                          | 6,000,000                       | 3,000,000            |
| Defense support.....                                    | 675,000,000             |                                     |                                          |                                 |                      |
| Technical cooperation, general.....                     | 150,000,000             |                                     |                                          |                                 |                      |
| U.N. technical assistance program.....                  | 33,000,000              |                                     |                                          |                                 |                      |
| OAS technical cooperation programs.....                 | 1,300,000               |                                     |                                          |                                 |                      |
| Special assistance:                                     |                         |                                     |                                          |                                 |                      |
| General authorization.....                              | 230,000,000             |                                     |                                          |                                 |                      |
| Special authorization.....                              | 1,500,000               |                                     |                                          |                                 |                      |
| Intergovernmental Committee for European Migration..... | 6,700,000               |                                     |                                          |                                 |                      |
| U.N. High Commissioner for Refugees.....                | 1,300,000               |                                     |                                          |                                 |                      |
| Escapee program.....                                    | 3,350,000               |                                     |                                          |                                 |                      |
| U.N. Children's Fund.....                               | 12,000,000              |                                     |                                          |                                 |                      |
| U.N. Relief and Works Agency.....                       | 16,500,000              |                                     |                                          |                                 |                      |
| NATO science program.....                               | 1,200,000               |                                     |                                          |                                 |                      |
| Ocean freight charges.....                              | 2,000,000               |                                     |                                          |                                 |                      |
| Atoms for peace.....                                    | 1,500,000               |                                     |                                          |                                 |                      |
| Total, economic assistance.....                         | 2,031,350,000           | 2,890,500,000                       | 2,057,500,000                            | 2,496,600,000                   | 2,314,600,000        |

Footnotes at end of table.



## Comparative statement of appropriations for 1961 and estimates and amounts recommended in bill for 1962—Continued

## TITLE I—FOREIGN ASSISTANCE

| Item                                   | Appropriations,<br>1961 | Budget esti-<br>mates, 1962<br>(revised) | Recommended<br>in House bill<br>for 1962 | Amount rec-<br>ommended<br>by Senate | Conference<br>action          |
|----------------------------------------|-------------------------|------------------------------------------|------------------------------------------|--------------------------------------|-------------------------------|
| <b>MILITARY ASSISTANCE</b>             |                         |                                          |                                          |                                      |                               |
| Military assistance.....               | \$1, 800, 000, 000      | <sup>1</sup> \$1, 885, 000, 000          | <sup>4</sup> \$1, 600, 000, 000          | \$1, 700, 000, 000                   | \$1, 600, 000, 000            |
| Total, title I foreign assistance..... | 3, 831, 350, 000        | <sup>2</sup> 4, 775, 500, 000            | 3, 657, 500, 000                         | 4, 196, 600, 000                     | <sup>3</sup> 3, 914, 600, 000 |

## TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

|                             |               |               |               |               |                |
|-----------------------------|---------------|---------------|---------------|---------------|----------------|
| <b>RYUKYU ISLANDS, ARMY</b> |               |               |               |               |                |
| Administration.....         | \$6, 089, 000 | \$6, 835, 000 | \$6, 089, 000 | \$7, 835, 000 | -\$7, 089, 000 |

## TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

|                                            |                 |                            |                      |                 |                      |
|--------------------------------------------|-----------------|----------------------------|----------------------|-----------------|----------------------|
| Limitation on operating expenses.....      | <sup>(5)</sup>  | (\$1, 175, 058, 000)       | (\$1, 170, 000, 000) | <sup>(5)</sup>  | (\$1, 300, 000, 000) |
| Limitation on administrative expenses..... | (\$2, 675, 000) | <sup>6</sup> (3, 010, 000) | (3, 010, 000)        | (\$3, 010, 000) | (3, 010, 000)        |

## TITLE IV—TREASURY DEPARTMENT

|                                                                |                |                 |                 |                 |                 |
|----------------------------------------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Investment in Inter-American Development Bank.....             |                | \$110, 000, 000 | \$110, 000, 000 | \$110, 000, 000 | \$110, 000, 000 |
| Subscription to the International Development Association..... | \$73, 666, 700 | 61, 656, 000    | 61, 656, 000    | 61, 656, 000    | 61, 656, 000    |
| Total, title IV, Treasury Department.....                      | 73, 666, 700   | 171, 656, 000   | 171, 656, 000   | 171, 656, 000   | 171, 656, 000   |

## TITLE V—PEACE CORPS

|                                                             |                    |                  |                    |                  |                  |
|-------------------------------------------------------------|--------------------|------------------|--------------------|------------------|------------------|
| Salaries and expenses.....                                  |                    | \$40, 000, 000   |                    | \$40, 000, 000   | \$30, 000, 000   |
| Total, titles I, II, III, IV, and V.....                    | \$3, 911, 105, 700 | 4, 993, 991, 000 | \$3, 835, 245, 000 | 4, 416, 091, 000 | 4, 123, 345, 000 |
| <b>INTER-AMERICAN COOPERATION <sup>7</sup></b>              |                    |                  |                    |                  |                  |
| Inter-American social and economic cooperation program..... | 500, 000, 000      |                  |                    |                  |                  |
| Chilean reconstruction and rehabilitation program.....      | 100, 000, 000      |                  |                    |                  |                  |
| Total, Inter-American cooperation.....                      | 600, 000, 000      |                  |                    |                  |                  |
| Grand total.....                                            | 4, 511, 105, 700   | 4, 993, 991, 000 | 3, 835, 245, 000   | 4, 416, 091, 000 | 4, 123, 345, 000 |

<sup>1</sup> Reflects net decrease of \$509,500,000 contained in H. Doc. 208.  
<sup>2</sup> Includes \$85,000,000 in H. Doc. 208.  
<sup>3</sup> In addition, all unobligated balances continued available, estimated to total \$106,412,000, including \$25,000,000 for "Military assistance."  
<sup>4</sup> In addition, not to exceed \$50,000,000 of unobligated prior year funds reappropriated.

<sup>5</sup> No limitation imposed.  
<sup>6</sup> Includes \$260,000 in Doc. 208.  
<sup>7</sup> Funds provided in Public Law 87-41, approved May 27, 1961.  
<sup>8</sup> In addition, unobligated balances of \$69,533,000,000 continued available.

Mr. DIRKSEN. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. Are these the final figures on appropriations?

Mr. HAYDEN. Only on the foreign aid bill.

Mr. DIRKSEN. I thought perhaps the statement contained a summation of all the appropriation bills, showing the budget requests, House action, and Senate action.

Mr. HAYDEN. No; that information will be presented later.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9169) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMAS, Mr. KIRWAN, Mr. CANNON, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

[The Senate being in session as the RECORD went to press the proceedings of today will be continued in the next issue.]

## NOMINATIONS

Executive nominations received by the Senate September 26 (legislative day of September 25), 1961:

## U. S. ARMS CONTROL AND DISARMAMENT AGENCY

William C. Foster, of the District of Columbia, to be Director of the U.S. Arms Control and Disarmament Agency. (New position.)

## NATIONAL SCIENCE FOUNDATION

Dr. Emanuel R. Flore, of New York, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1966, vice Glenn T. Seaborg, resigned.

## FEDERAL MARITIME COMMISSION

Donald W. Alexander, of Florida, to be Maritime Administrator.

The following-named persons to be Federal Maritime Commissioners:

John S. Patterson, of Maryland, for the term expiring June 30, 1962.

Ashton Barrett, of Mississippi, for the term expiring June 30, 1963.

Thomas E. Stakem, Jr., of Virginia, for the term expiring June 30, 1964.

John R. Harlike, of the District of Columbia, for the term expiring June 30, 1965.

## CONFIRMATIONS

Executive nominations confirmed by the Senate September 26 (legislative day of September 25), 1961:

## COLLECTOR OF CUSTOMS

Marjorie Maki, of Minnesota, to be collector of customs for customs collection dis-

trict No. 35, with headquarters at Minneapolis, Minn.

## POST OFFICE DEPARTMENT

The following-named persons to be members of the Advisory Board for the Post Office Department:

Carl Murphy, of Maryland.

Charles H. Earl, of Arkansas.

Paul Perocchi, of Massachusetts.

Robert MacNeal, of Pennsylvania.

James Francis Reilly, of the District of Columbia.

William C. Doherty, of Maryland.

## POSTMASTERS

## ARIZONA

Helen B. Roberts, Sedona.

## ARKANSAS

W. Hugh Hudson, Blytheville.

Norman J. Cox, Bradford.

## KENTUCKY

Lawrence H. Framme, Jr., Carrollton.

Kenneth Fern, Flemingsburg.

## LOUISIANA

Robert J. LeBlanc, Abbeville.

## MAINE

Mary L. Webb, Sargentville.

## MICHIGAN

Maurice E. Anderson, Gladstone.

Roger A. Camfield, Gobles.

## MISSISSIPPI

Frank P. Kaplan, Drew.

John W. Milner, Vaiden.

## NEBRASKA

Ernest J. Seyler, Alma.

Bonnie A. Hogeland, Bloomington.

James I. Pedersen, Laurel.

## OHIO

Daniel B. Slack, Jr., Westerville.



suggests to us that in a dozen different ways these hallmarks are flouted.

It was the man who led this country through the dark hours of bloody, civil war who, at the end of the war, set the tone of peace and reconciliation that could well guide us in our remembrance of the war and its goals. Abraham Lincoln was not interested in crushing the adversary so that he could stride over the battle ruins in vulgar vanity. He realized that there could be no lasting victory unless the talents and resources that produced it were used with equal diligence in making and keeping the peace. His visit to the fallen Confederate capital in the closing days of the war was not a tour of triumph but a sobering experience filled with challenge. To a group of Negroes in Richmond, he said, "I am but God's humble instrument, but you may rest assured that as long as I shall live no one shall put a shackle to your limbs, and you shall have all the rights which God has given to every other free citizen of this Republic." Even earlier he had said that efforts to deny the Negro his rights and his freedom were also "calculated to break down the very idea of free government, even for white men, and to undermine the very foundations of free society." The war merely confirmed his views. He knew that there could be no just and lasting peace where legally enforced inequality prevailed. He knew that there could be no equivocation about simple, decent humane treatment of human beings.

In his remarks to the Negroes at Richmond, Lincoln spoke to our generation as well as to his own. To his own generation he urged that the people should move with steadfastness and determination toward securing and protecting the rights of all the citizens of the Republic. It involved, as he said, more than binding up the Nation's wounds and caring for those who fought in the war and for their dependents. It also involved doing "all which may achieve and cherish a just and lasting peace among ourselves and with all nations." To our generation he calls for a continuation of the effort to create a just and lasting peace. While the intervening century has seen some steps in the direction of a just peace, there is still an enormous amount of unfinished business. He could not finish it. Succeeding generations would not finish it.

We in this generation can complete the task of creating a more perfect union and securing the rights of all persons if we seize this opportunity that is now ours. We can use the observance of the Civil War Centennial to rededicate ourselves to the task and, in the spirit of those who gave so much in the way of sacrifices and their very lives during the war, push ahead to the goal of perfecting our democracy. We cannot do this by growing beards and simulating the appearance of mid-19th century militant swains. We cannot do this by appropriating millions of dollars to put on sham battles and going through ludicrous ceremonies that make a mockery of that tragic period and of this solemn moment of remembrance. We cannot do this by attacking President Lincoln, whose name some of us are unworthy to utter, and by seeking to create more than a breath of scandal around the name of everyone who fought to save this Union. We cannot do this by invoking the archaic and anachronistic arguments of the secessionists in order to defy and nullify the Supreme Court decisions today.

We can best observe the centennial of the Civil War by redoubling our efforts to complete the task begun by those who fought and died to preserve the Union, eradicate the barbarism of slavery, and establish equal rights for all people. We shall observe it in this State by appropriate measures and activities that will indicate our understanding of the deep significance and the great implications of the war and its outcome. We

shall do no violence to the memory of any man or woman on either side of the war. We shall subscribe to the view that our responsibility is as great for us today as it was for those who a century ago gave their all for a cause in which they believed. We shall through our own rededication accept the challenge of Lincoln to finish the task that he began. We shall make a part of our observances, indeed, a part of our lives the words he uttered in 1856, when he said:

"The human heart is with us; God is with us. We shall again be able not to declare that 'all States as States are equal,' nor yet that 'all citizens as citizens are equal,' but to renew the broader, better declaration, including both these and much more, that 'all men are created equal.'"

If we observe the centennial of the Civil War in this spirit, we shall not have escaped history, but we shall have learned to live with it. We shall, in a small measure have proved worthy of the great legacy that has been handed down to us by those who served their Nation and their consciences during the Civil War.

### JOB'S DAUGHTERS

(Mr. RANDALL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. RANDALL. Mr. Speaker, before this session of Congress adjourns, I want to pay tribute to an extraordinary group of girls who, in my opinion, are making a great contribution to the American way of life.

In August of this year, about 25 girls belonging to Bethel 26, Job's Daughters, Baytown, Mo., were in Washington, D.C., following their attendance at the Supreme Session of the International Order of Job's Daughters held at Richmond, Va., August 17, 1961. They were under the competent direction of Mrs. Lela Myers, guardian. This group sponsored a precision military drill team representing the State of Missouri in the National Drill Team Competition at Richmond, Va. These girls deserve the sincere congratulations of everyone in the Fourth Missouri District because through their hard work they placed second in the finals in national competition and missed the grand prize by only a fraction of 1 percentage point.

The highlights of their visit in Washington, D.C., began with a specially conducted tour of the White House, where pictures were taken on the White House grounds, and then a drill performance on the Washington Monument grounds. This was followed by a tour of the Capitol and attendance at a session of the House of Representatives and the Senate. In the evening they had the opportunity to witness a formal dress parade of the U.S. Marines and performances by special drill units at Marine Barracks.

We want to say that we were very much impressed with the training and conduct of this group of fine young people, and their at ease behavior exhibited an excellent deportment equal to their precision as a drill team.

The object of the order is to band together girls for spiritual and moral upbuilding, to seek knowledge, to teach love of God, love of country, respect for its flag, love of home and family and reverence for the teachings of the Holy Scripture.

Girls ranging in age from 12 to 20, with proper Masonic relationship and upon thorough investigation are eligible for membership.

It is our understanding there are about 1,500 Bethels in 33 States; 11 in Australia, 65 in Canada, and 2 in the Philippines, with about 150,000 active members.

It is a great honor and privilege for me to recognize today and pay much deserved tribute both to Bethel 26, Job's Daughters, Raytown, Mo., and to all other members of Job's Daughters. The results of their good spiritual and moral training showed itself during their trip to Washington on August 18, proving beyond a doubt the value of such an investment in our youth.

### RECESS

The SPEAKER pro tempore. The House will stand in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 4 minutes p.m.), the House stood in recess subject to the call of the Chair.

### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore at 5 o'clock p.m.

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 8876. An act to amend the Internal Revenue Code of 1954 to permit the use of identifying numbers.

H.R. 9053. An act to amend title II of the National Defense Education Act of 1958 with respect to the periods for which loans under that title are made.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1745. An act to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1292. An act to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9076) entitled "An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority, and certain study commissions, for the fiscal year ending June 30, 1962, and for other purposes."



## FOREIGN ASSISTANCE APPROPRIATION ACT, 1962

Mr. PASSMAN submitted the following conference report and statement on the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes:

## CONFERENCE REPORT (H. REPT. NO. 1270)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9033) "making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 10, 11, 12, 23, 28 and 29.

That the House recede from its disagreement to the amendments of the Senate numbered 16 and 26 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,112,500,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: Restore the matter stricken out and inserted by said amendment, and amended to read as follows: "Including \$2,800,000 for ocean freight, \$2,000,000 for Atoms for Peace, and \$22,600,000 for the malaria eradication program, \$296,500,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Surveys of investment opportunities: For expenses authorized by section 232, \$1,500,000."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: Restore the matter stricken out and inserted by said amendment, amended to read as follows: "\$425,000,000, including \$15,000,000 for supporting assistance for Spain as authorized by section 402."; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$275,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$47,500,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$24,500,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum named in said amend-

ment insert: "\$3,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: Restore the matter stricken, amended to read as follows: "(not to exceed \$69,533,000)"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: Restore the matter stricken and inserted, amended to read as follows:

"Sec. 102. None of the funds herein appropriated (other than funds appropriated under the authorization for 'International organizations and programs') shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per circular A-47 of the Bureau of the Budget, dated December 31, 1952."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,500"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,089,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: Restore the matter stricken, amended to read as follows:

## "LIMITATION ON OPERATING EXPENSES

"Not to exceed \$1,300,000,000 (of which not to exceed \$800,000,000 shall be for development loans) shall be obligated during the current fiscal year for other than administrative expenses."

And the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

## "TITLE V—PEACE CORPS

## "Funds appropriated to the President

"For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act, including purchase of not to exceed sixteen passenger motor vehicles for use outside the United States, \$30,000,000."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 13, 18, 19, 20 and 27.

OTTO E. PASSMAN,

J. VAUGHAN GARY,

CLARENCE CANNON,

JOHN TABER,

JOHN J. RHODES,

*Managers on the Part of the House.*

CARL HAYDEN,

ALLEN J. ELLENDER,

WARREN G. MAGNUSON,

SPESSARD L. HOLLAND,

JOHN O. PASTORE,

LEVERETT SALTONSTALL,

KARL E. MUNDT,

MARGARET CHASE SMITH,

*Managers on the Part of the Senate.*

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9033) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

## TITLE I—FOREIGN ASSISTANCE

## Funds appropriated to the President

## Economic Assistance

Amendment No. 1—Development loans: Appropriates \$1,112,500,000 instead of \$1,025,000,000 as proposed by the House and \$1,200,000,000 as proposed by the Senate.

Amendment No. 2—Development grants: Appropriates \$296,500,000 instead of \$259,000,000 as proposed by the House and \$334,000,000 as proposed by the Senate; earmarks \$2,800,000 for ocean freight, \$2,000,000 for Atoms for Peace, and \$22,600,000 for the malaria eradication program; and deletes Senate language making the funds available until expended.

Amendment No. 3—Development grants: Reported in disagreement.

Amendment No. 4—Surveys of investment opportunities: Appropriates \$1,500,000 instead of \$3,000,000 as proposed by the Senate, and deletes Senate language making the funds available until expended.

Amendment No. 5—Supporting assistance: Appropriates \$425,000,000 as proposed by the Senate instead of \$400,000,000 as proposed by the House; earmarks \$15,000,000 for Spain instead of \$25,000,000 additional appropriation as proposed by the Senate; and deletes Senate language making the funds available until expended.

Amendment No. 6—Contingency fund: Appropriates \$275,000,000 instead of \$175,000,000 as proposed by the House and \$300,000,000 as proposed by the Senate. P.L. 87-195, the authorization act, authorized \$300,000,000 for this purpose. In arriving at the amount of \$275,000,000, the managers on the part of the House were able to secure agreement with their conference proposal of \$237,500,000 to which they, in the final settlement, agreed to add \$37,500,000 by deleting a like amount from the unobligated carryover of funds (in Amendment No. 15) otherwise agreed to. In addition, the House managers agree that of the \$69,533,000 of carried-over unobligated funds, \$8,900,000 shall also be available for the Contingency Fund.

Amendment No. 7—Administrative expenses: Deletes Senate language relating to purchase of automobiles. It is understood that the twenty-five vehicles allowed by both House and Senate versions are for new additional equipment.

Amendment No. 8—Administrative expenses: Appropriates \$47,500,000 instead of \$45,000,000 as proposed by the House and \$50,000,000 as proposed by the Senate.

## Military Assistance

Amendment No. 9: Authorizes the use of not to exceed \$24,500,000 for administrative expenses instead of \$24,000,000 as proposed by the House and \$25,000,000 as proposed by the Senate.

Amendment No. 10: Deletes Senate language relating to the construction of facilities for the training of foreign military personnel.

Amendment No. 11: Appropriates \$1,600,000,000 as proposed by the House instead of \$1,700,000,000 as proposed by the Senate.

Amendment No. 12: Deletes Senate language making the funds available until expended.

Amendment No. 13: Reported in disagreement.



## Department of State

Amendment No. 14: Appropriates \$3,000,000 instead of \$6,000,000 as proposed by the Senate.

Amendments Nos. 15 and 16: Make available not to exceed \$69,533,000 of unobligated funds.

## General Provisions

Amendment No. 17: Restores House language relating to criteria for water or related land resource projects, amended to exclude its application on programs carried out by international organizations and programs.

Amendments 18, 19, and 20: Reported in disagreement.

## TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

*Ryukyu Islands, Army*

## Administration

Amendment No. 21: Authorizes \$3,500 for contingencies of the High Commissioner instead of \$3,000 as proposed by the House and \$4,000 as proposed by the Senate.

Amendment No. 22: Appropriates \$7,089,000 instead of \$6,089,000 as proposed by the House and \$7,835,000 as proposed by the Senate. The increase is to be used for salary increases for native Ryukyuan teachers.

Amendment No. 23: Authorizes \$1,722,000 for administrative and information expenses as proposed by the House instead of \$1,835,000 as proposed by the Senate.

## TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Amendment No. 24: Limitation on operating expenses: Restores House language amended to provide a limitation of \$1,300,000,000 on the total program of which not to exceed \$800,000,000 shall be for development loans. The Senate has proposed to delete the entire limitation and the House proposal had allowed \$1,170,000,000 for the total program of which not to exceed \$600,000,000 was for development loans.

## TITLE V—PEACE CORPS

Amendment No. 25: Appropriates \$30,000,000 instead of \$40,000,000 as proposed by the Senate.

## TITLE VI—GENERAL PROVISIONS

Amendment No. 26: Inserts reference symbol as proposed by the Senate.

Amendment No. 27: Reported in disagreement.

Amendment No. 28: Deletes Senate proposal relating to validation of obligations incurred subsequent to July 1, 1961.

Amendment No. 29: Changes section number as proposed by the House.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
CLARENCE CANNON,  
JOHN TABER,  
JOHN J. RHODES,

*Manager on the Part of the House.*

Mr. PASSMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the conference report.

Mr. GROSS. Mr. Speaker, is there to be no explanation of what was done in this conference report?

Mr. PASSMAN. Mr. Speaker, I shall give a complete explanation immediately following the adoption of the conference report.

Mr. TABER. Mr. Speaker—

Mr. PASSMAN. Would the gentleman prefer to have that now?

Mr. TABER. I think that would be well.

Mr. PASSMAN. Mr. Speaker, I withdraw my motion, and yield myself such time as I may consume.

Mr. Speaker, the conference report before the House for consideration is, in my opinion, the very best that could be brought back on the part of the managers for the House.

Section I of the bill, as it passed the House, called for \$3,657,500,000. The Senate increased the bill to \$4,196,600,000.

The conference report before you for title I, in effect calls for \$3,877,100,000, which is an increase of \$219,600,000 over the original House figure, but \$319,500,000 below the amount of the Senate bill.

The House also agreed to make available \$107,033,000, of unobligated balances from prior-year appropriations, which was an increase of \$57,033,000 over the amount allowed by the House bill. In reaching a final agreement, the managers on the part of the Senate agreed to the House conference position, provided we would transfer from the unobligated balances \$37,500,000 to the contingency fund, which would increase that fund to \$275 million, but would reduce the unobligated balances provided in the bill to \$69,533,000.

For reasons which I doubt that any member, including the chairman of the committee, will ever know, we accepted this proposal. However, it does not involve any increase in the actual outlay of cash for fiscal 1962. In effect, the bill is written to show that we provided more new funds than we actually did make available. So as to keep it in context and understandable the report before you will show for section I new funds in the amount of \$3,914,600,000.

For the Peace Corps, the Senate put in \$40 million, and the conference agreement calls for \$30 million.

There is no disagreement between the two bodies on the amount for the Inter-American Development Bank and the International Development Association.

For the Ryukyu Islands, the Senate increased the amount over the House to \$7,835,000, which was an increase of \$1,746,000. In conference we agreed to \$7,089,000.

Mr. Speaker, even with the reductions, the bill before you is the fattest foreign aid bill we have had in the 7 years it has been my privilege to serve as chairman of the Subcommittee on Foreign Operations Appropriations. Without a doubt, we have provided more money, yes, much more money, than is actually needed. But, I question whether there has ever been a bill with any more interference and unfounded claims than we have had in dealing with the present one.

If any Members might think it is an easy job to handle the appropriation for this worldwide, in effect, relief program, I can assure that service on the committee would mean that in the future they would offer less criticism of those of us who are trying to put some degree of sense into this complex and complicated program.

I would be remiss in my duties as chairman of the Foreign Operations Appropriations Subcommittee if I should not say that in my opinion the program will fall of its own weight in due time, because of the frightening adverse effect it is having on our worldwide dollar deficit and our diminishing gold reserves, plus the fact that our generosity has been such that we are no longer competitive on the world market overall.

I should like to repeat that this has been a most difficult bill to handle. There have been a lot of magic figures suggested, and many people in high places have been downright unreasonable about demanding that facts be ignored as to the needs and that some unrealistic figure be substituted, so as to appease those in high places. I thank God that the integrity of this committee, in the end, prevailed.

I must pay tribute to those staunch Americans, VAUGHAN GARY, CLARENCE CANNON, JOHN TABER, JOHN RHODES, HUGH ALEXANDER, GEORGE ANDREWS, and BILL NATCHER, who stood the acid test under unprecedented pressure. In the other body I must pay tribute to that outstanding and distinguished Senator from Louisiana, ALLEN ELLENDER, who willingly conferred with me at midnight's lonely hour in order to help bring about the final compromise that sent this conference report back to this floor.

I submit at this point a tabulation of the bill now before you:

*Summary of mutual assistance appropriation bill, 1962*

|                                   | Budget estimates to date | Passed House    | Passed Senate   | Conference action | Conference action compared with— |                |                |
|-----------------------------------|--------------------------|-----------------|-----------------|-------------------|----------------------------------|----------------|----------------|
|                                   |                          |                 |                 |                   | Budget estimates                 | House          | Senate         |
| Title I—Foreign Assistance.....   | \$4,775,500,000          | \$3,657,500,000 | \$4,196,600,000 | \$3,914,600,000   | —\$860,900,000                   | +\$257,100,000 | —\$282,000,000 |
| Title II—Ryukyu Islands.....      | 6,835,000                | 6,089,000       | 7,835,000       | 7,089,000         | +254,000                         | +1,000,000     | —746,000       |
| Title IV—Treasury Department..... | 171,656,000              | 171,656,000     | 171,656,000     | 171,656,000       |                                  |                |                |
| Title V—Peace Corps.....          | 40,000,000               |                 | 40,000,000      | 30,000,000        | —10,000,000                      | +30,000,000    | —10,000,000    |
| Grand total.....                  | 4,993,991,000            | 3,835,245,000   | 4,416,091,000   | 4,123,345,000     | —870,646,000                     | +288,100,000   | —292,746,000   |

<sup>1</sup> In addition, \$69,533,000 of prior year unobligated balances continued available.



Mr. Speaker, in concluding these remarks, I want to insert in the RECORD detailed data relating to foreign aid by the United States for the period from July 1, 1945, through June 30, 1961. This enlightening material has been especially prepared at my request by the Legislative Reference Service of the Library of Congress, and I submit it herewith:

FOREIGN AID BY THE UNITED STATES FOR PERIOD JULY 1, 1945, THROUGH JUNE 30, 1961

(Prepared for the use of Congressman OTTO E. PASSMAN)

A preliminary estimate of all U.S. foreign aid to all areas of the world for period July 1, 1945-June 30, 1961, is as follows:

| [In millions of dollars]                                   |                 |
|------------------------------------------------------------|-----------------|
| Europe (48.74 percent).....                                | 44,124.4        |
| Far East (22.66 percent).....                              | 20,516.7        |
| Near East (10.69 percent).....                             | 9,680.8         |
| South Asia (6.35 percent).....                             | 5,749.2         |
| Latin America (5.92 percent).....                          | 5,362.9         |
| Africa (1.52 percent).....                                 | 1,376.7         |
| Nonregional (refugees, children, etc.) (4.10 percent)..... | 3,715.5         |
| <b>Total</b> .....                                         | <b>90,526.6</b> |
| Other aid not counted in total:                            |                 |
| International banking organizations.....                   | 4,875.2         |
| Soviet aligned nations, not currently receiving aid.....   | 674.0           |
| Albania.....                                               | 20.0            |
| Czechoslovakia.....                                        | 191.0           |
| Hungary.....                                               | 27.0            |
| East Germany.....                                          | 17.0            |
| U.S.S.R.....                                               | 419.0           |

The breakdown for each region is:  
[In millions of dollars]

|                                    |                 |
|------------------------------------|-----------------|
| Aid to 17 European entities:       |                 |
| France.....                        | 9,431.4         |
| United Kingdom.....                | 8,685.6         |
| Italy (plus Trieste).....          | 5,641.9         |
| Germany (Federal Republic).....    | 4,997.1         |
| Netherlands.....                   | 2,450.3         |
| Yugoslavia.....                    | 2,280.3         |
| Belgium-Luxembourg.....            | 1,949.5         |
| Spain.....                         | 1,631.0         |
| Austria.....                       | 1,170.9         |
| Norway.....                        | 1,082.0         |
| Denmark.....                       | 856.9           |
| Poland.....                        | 514.5           |
| Portugal.....                      | 402.2           |
| Ireland.....                       | 146.2           |
| Berlin.....                        | 131.0           |
| Sweden.....                        | 108.9           |
| Iceland.....                       | 70.2            |
| Regional.....                      | 2,574.3         |
| <b>Total (48.74 percent)</b> ..... | <b>44,124.4</b> |
| Aid to 12 Far Eastern entities:    |                 |
| Korea.....                         | 5,029.6         |
| Formosa (Taiwan).....              | 4,161.1         |
| Japan.....                         | 3,574.0         |
| Vietnam.....                       | 2,118.5         |
| Philippines.....                   | 1,675.7         |
| Indochina (undistributed).....     | 1,535.0         |
| Thailand.....                      | 632.6           |
| Indonesia.....                     | 583.5           |
| Laos.....                          | 374.4           |
| Cambodia.....                      | 298.1           |
| Burma.....                         | 94.5            |
| Malaya.....                        | 22.2            |
| Regional.....                      | 417.2           |
| <b>Total (6.35 percent)</b> .....  | <b>5,749.2</b>  |

|                                    |                |
|------------------------------------|----------------|
| Aid to 11 Near Eastern entities:   |                |
| Turkey.....                        | 3,491.6        |
| Greece.....                        | 3,213.4        |
| Iran.....                          | 1,195.2        |
| Israel.....                        | 793.3          |
| United Arab Republic.....          | 438.8          |
| Jordan.....                        | 303.0          |
| Lebanon.....                       | 89.9           |
| Iraq.....                          | 67.0           |
| Saudi Arabia.....                  | 46.6           |
| <b>Total (10.69 percent)</b> ..... | <b>9,680.8</b> |
| Aid to 5 south Asian entities:     |                |
| India.....                         | 3,071.9        |
| Pakistan.....                      | 1,430.9        |
| Afghanistan.....                   | 182.9          |
| Ceylon.....                        | 74.9           |
| Nepal.....                         | 43.5           |
| Regional.....                      | 945.1          |
| <b>Total (6.35 percent)</b> .....  | <b>5,749.2</b> |

|                                    |                |
|------------------------------------|----------------|
| Aid to 24 Latin-American entities: |                |
| Brazil.....                        | 1,698.5        |
| Mexico.....                        | 630.3          |
| Argentina.....                     | 537.9          |
| Chile.....                         | 512.7          |
| Peru.....                          | 388.7          |
| Colombia.....                      | 319.3          |
| Bolivia.....                       | 221.8          |
| Guatemala.....                     | 149.6          |
| Venezuela.....                     | 104.0          |
| Ecuador.....                       | 96.4           |
| Haiti.....                         | 92.6           |
| Uruguay.....                       | 80.2           |
| Costa Rica.....                    | 80.1           |
| Panama.....                        | 75.7           |
| Nicaragua.....                     | 53.1           |
| Cuba.....                          | 52.0           |
| Paraguay.....                      | 42.6           |
| Honduras.....                      | 40.5           |
| West Indies Federation.....        | 17.0           |
| El Salvador.....                   | 16.7           |
| Dominican Republic.....            | 8.9            |
| Surinam.....                       | 2.9            |
| British Guiana.....                | 1.9            |
| British Honduras.....              | 1.6            |
| Regional.....                      | 138.1          |
| <b>Total (5.92 percent)</b> .....  | <b>5,362.9</b> |

|                                   |                |
|-----------------------------------|----------------|
| Aid to 29 African entities:       |                |
| Morocco.....                      | 307.7          |
| Tunisia.....                      | 255.2          |
| Ethiopia and Eritrea.....         | 181.3          |
| Libya.....                        | 180.0          |
| Liberia.....                      | 116.3          |
| Congo (Leopoldville).....         | 78.3           |
| Sudan.....                        | 53.5           |
| Rhodesia and Nyasaland.....       | 33.3           |
| Nigeria.....                      | 16.4           |
| British East Africa.....          | 14.2           |
| Kenya.....                        | 7.4            |
| Tanganyika.....                   | 4.5            |
| Uganda.....                       | 1.1            |
| Regional.....                     | 1.2            |
| Somali Republic.....              | 13.3           |
| Mozambique.....                   | 12.5           |
| Entente States.....               | 8.8            |
| Dahomey.....                      | 1.4            |
| Ivory Coast.....                  | .4             |
| Niger.....                        | .7             |
| Upper Volta.....                  | 1.3            |
| Undistributed.....                | 5.1            |
| Ghana.....                        | 6.6            |
| Guinea.....                       | 3.8            |
| Senegal.....                      | 3.6            |
| Mali, Republic.....               | 2.5            |
| Cameroon.....                     | 2.1            |
| Togo.....                         | 1.9            |
| Mauritania.....                   | 1.5            |
| Sierra Leone.....                 | 1.0            |
| Malagasy Republic.....            | .5             |
| Equatorial states.....            | .2             |
| Other Africa.....                 | 7.1            |
| French.....                       | 6.1            |
| Portuguese.....                   | .3             |
| Sterling.....                     | .7             |
| Regional.....                     | 75.4           |
| <b>Total (1.52 percent)</b> ..... | <b>1,376.7</b> |

|                                   |         |
|-----------------------------------|---------|
| Aid to nonregional entities: Non- |         |
| regional (4.10 percent).....      | 3,715.5 |

|                                    |                |
|------------------------------------|----------------|
| Aid to 11 Near Eastern entities:   |                |
| CENTO.....                         | 25.0           |
| Yemen.....                         | 17.0           |
| <b>Total (10.69 percent)</b> ..... | <b>9,680.8</b> |

|                                   |                |
|-----------------------------------|----------------|
| Aid to 5 south Asian entities:    |                |
| India.....                        | 3,071.9        |
| Pakistan.....                     | 1,430.9        |
| Afghanistan.....                  | 182.9          |
| Ceylon.....                       | 74.9           |
| Nepal.....                        | 43.5           |
| Regional.....                     | 945.1          |
| <b>Total (6.35 percent)</b> ..... | <b>5,749.2</b> |

|                                    |                |
|------------------------------------|----------------|
| Aid to 24 Latin-American entities: |                |
| Brazil.....                        | 1,698.5        |
| Mexico.....                        | 630.3          |
| Argentina.....                     | 537.9          |
| Chile.....                         | 512.7          |
| Peru.....                          | 388.7          |
| Colombia.....                      | 319.3          |
| Bolivia.....                       | 221.8          |
| Guatemala.....                     | 149.6          |
| Venezuela.....                     | 104.0          |
| Ecuador.....                       | 96.4           |
| Haiti.....                         | 92.6           |
| Uruguay.....                       | 80.2           |
| Costa Rica.....                    | 80.1           |
| Panama.....                        | 75.7           |
| Nicaragua.....                     | 53.1           |
| Cuba.....                          | 52.0           |
| Paraguay.....                      | 42.6           |
| Honduras.....                      | 40.5           |
| West Indies Federation.....        | 17.0           |
| El Salvador.....                   | 16.7           |
| Dominican Republic.....            | 8.9            |
| Surinam.....                       | 2.9            |
| British Guiana.....                | 1.9            |
| British Honduras.....              | 1.6            |
| Regional.....                      | 138.1          |
| <b>Total (5.92 percent)</b> .....  | <b>5,362.9</b> |

|                                   |                |
|-----------------------------------|----------------|
| Aid to 29 African entities:       |                |
| Morocco.....                      | 307.7          |
| Tunisia.....                      | 255.2          |
| Ethiopia and Eritrea.....         | 181.3          |
| Libya.....                        | 180.0          |
| Liberia.....                      | 116.3          |
| Congo (Leopoldville).....         | 78.3           |
| Sudan.....                        | 53.5           |
| Rhodesia and Nyasaland.....       | 33.3           |
| Nigeria.....                      | 16.4           |
| British East Africa.....          | 14.2           |
| Kenya.....                        | 7.4            |
| Tanganyika.....                   | 4.5            |
| Uganda.....                       | 1.1            |
| Regional.....                     | 1.2            |
| Somali Republic.....              | 13.3           |
| Mozambique.....                   | 12.5           |
| Entente States.....               | 8.8            |
| Dahomey.....                      | 1.4            |
| Ivory Coast.....                  | .4             |
| Niger.....                        | .7             |
| Upper Volta.....                  | 1.3            |
| Undistributed.....                | 5.1            |
| Ghana.....                        | 6.6            |
| Guinea.....                       | 3.8            |
| Senegal.....                      | 3.6            |
| Mali, Republic.....               | 2.5            |
| Cameroon.....                     | 2.1            |
| Togo.....                         | 1.9            |
| Mauritania.....                   | 1.5            |
| Sierra Leone.....                 | 1.0            |
| Malagasy Republic.....            | .5             |
| Equatorial states.....            | .2             |
| Other Africa.....                 | 7.1            |
| French.....                       | 6.1            |
| Portuguese.....                   | .3             |
| Sterling.....                     | .7             |
| Regional.....                     | 75.4           |
| <b>Total (1.52 percent)</b> ..... | <b>1,376.7</b> |

|                                   |         |
|-----------------------------------|---------|
| Aid to nonregional entities: Non- |         |
| regional (4.10 percent).....      | 3,715.5 |

There are 121 so-called independent national entities in the world. The United States has given aid to the majority of the 120 other nations—104. Of this number 90 are still receiving aid. In addition to this group assistance is also being rendered to about 40 dependent colonies and territories and international organizations.

During the period July 1, 1945, through June 30, 1961, certain countries received the predominant share of the \$90.5 billion in aid extended by the United States. The totals are given in descending order in the succeeding tables.

Twenty-two countries each received more than \$1 billion in aid or \$71.5 billion of the \$90.5 billion expended; i.e., 79 percent of the total.

Countries that received more than \$1,000,000,000

| [In millions of dollars]        |                 |
|---------------------------------|-----------------|
| France.....                     | 9,431.4         |
| United Kingdom.....             | 8,685.6         |
| Italy.....                      | 5,641.9         |
| Korea.....                      | 5,029.6         |
| Germany (Federal Republic)..... | 4,997.1         |
| Formosa (Taiwan).....           | 4,161.1         |
| Japan.....                      | 3,574.0         |
| Turkey.....                     | 3,491.6         |
| Greece.....                     | 3,213.4         |
| India.....                      | 3,071.3         |
| Netherlands.....                | 2,450.3         |
| Yugoslavia.....                 | 2,280.3         |
| Vietnam.....                    | 2,118.5         |
| Belgium-Luxembourg.....         | 1,949.5         |
| Brazil.....                     | 1,698.5         |
| Philippines.....                | 1,675.7         |
| Spain.....                      | 1,631.0         |
| Indochina.....                  | 1,535.0         |
| Pakistan.....                   | 1,430.9         |
| Iran.....                       | 1,195.2         |
| Austria.....                    | 1,170.9         |
| Norway.....                     | 1,082.0         |
| <b>Total (79 percent)</b> ..... | <b>71,515.4</b> |

Twenty-seven countries each received between \$100 million and \$1 billion in aid or \$9.7 billion of the \$90.5 billion expended; i.e. 10.68 percent of the total.

Countries that received between \$100,000,000 and \$1,000,000,000

| [In millions of dollars]           |                |
|------------------------------------|----------------|
| Denmark.....                       | 856.9          |
| Israel.....                        | 793.3          |
| Thailand.....                      | 632.6          |
| Mexico.....                        | 630.3          |
| Indonesia.....                     | 583.5          |
| Argentina.....                     | 537.9          |
| Poland.....                        | 514.5          |
| Chile.....                         | 512.7          |
| United Arab Republic.....          | 438.8          |
| Portugal.....                      | 402.2          |
| Peru.....                          | 388.7          |
| Laos.....                          | 374.4          |
| Colombia.....                      | 319.3          |
| Morocco.....                       | 307.7          |
| Jordan.....                        | 303.0          |
| Cambodia.....                      | 298.1          |
| Tunisia.....                       | 255.2          |
| Bolivia.....                       | 221.8          |
| Afghanistan.....                   | 182.9          |
| Ethiopia.....                      | 181.3          |
| Libya.....                         | 180.0          |
| Guatemala.....                     | 149.6          |
| Ireland.....                       | 146.2          |
| Berlin.....                        | 131.0          |
| Liberia.....                       | 116.3          |
| Sweden.....                        | 108.9          |
| Venezuela.....                     | 104.0          |
| <b>Total (10.68 percent)</b> ..... | <b>9,671.1</b> |

Forty-three countries each received between \$1 million and \$100 million in aid or \$1.4 billion of the \$90.5 billion expended; i.e., 1.58 percent of the total.



Countries that received between \$1,000,000  
and \$100,000,000

[In millions of dollars]

|                        |      |
|------------------------|------|
| Ecuador                | 96.4 |
| Burma                  | 94.5 |
| Haiti                  | 92.6 |
| Lebanon                | 89.9 |
| Uruguay                | 80.2 |
| Costa Rica             | 80.1 |
| Congo (Leopoldville)   | 78.3 |
| Panama                 | 75.7 |
| Ceylon                 | 74.9 |
| Iceland                | 70.2 |
| Iraq                   | 67.0 |
| Sudan                  | 53.5 |
| Nicaragua              | 53.1 |
| Cuba                   | 52.0 |
| Saudi Arabia           | 46.6 |
| Nepal                  | 43.5 |
| Paraguay               | 42.6 |
| Honduras               | 40.5 |
| Rhodesia and Nyasaland | 33.3 |
| Malaya                 | 22.2 |
| Yemen                  | 17.0 |
| West Indies Federation | 17.0 |
| El Salvador            | 16.7 |
| Nigeria                | 16.4 |
| Somali Republic        | 13.3 |
| Mozambique             | 12.5 |
| Dominican Republic     | 8.9  |
| Kenya                  | 7.4  |
| Ghana                  | 6.6  |
| Tanganyika             | 4.5  |
| Guinea                 | 3.8  |
| Senegal                | 3.6  |
| Surinam                | 2.9  |
| Mali Republic          | 2.5  |
| Cameroun               | 2.1  |
| British Guiana         | 1.9  |
| Togo                   | 1.9  |
| British Honduras       | 1.6  |
| Mauritania             | 1.5  |
| Dahomey                | 1.4  |
| Upper Volta            | 1.3  |
| Uganda                 | 1.1  |
| Sierra Leone           | 1.0  |

Total (1.58 percent) 1,434.0

Various nonregional international organizations received \$3.7156 billion of the \$90.5 billion expended; i.e., 4.10 percent of the total.

The rest of the aid of \$4.19 billion, i.e., 4.6 percent of total aid was spent among various regional groupings such as:

[In millions]

|               |           |
|---------------|-----------|
| Europe        | \$2,574.3 |
| Far East      | 417.2     |
| South Asia    | 945.1     |
| Latin America | 138.1     |
| Africa        | 75.4      |

and a few smaller nations and dependent areas which received less than \$1 million apiece during the last 16 years.

HERMANN FICKER,

*Economist in International Finance and Trade, Economics Division, Legislative Reference Service, the Library of Congress.*

Aid for period July 1, 1945-June 30, 1961

A. WESTERN ALINED (53)

[In millions of dollars]

|                          |    |         |
|--------------------------|----|---------|
| Members of U.N. (42):    |    |         |
| Colombia                 | x  | 319.3   |
| Costa Rica               | x  | 80.1    |
| Denmark                  | x  | 856.9   |
| Dominican Republic       | x  | 8.9     |
| Ecuador                  | x  | 96.4    |
| El Salvador              | x  | 16.7    |
| France                   | x  | 9,431.4 |
| Greece                   | x  | 3,213.4 |
| Guatemala                | x  | 149.6   |
| Haiti                    | x  | 92.6    |
| Honduras                 | x  | 40.5    |
| Iceland                  | x  | 70.2    |
| Iran                     | x  | 1,195.2 |
| Italy                    | x  | 5,641.9 |
| Japan                    | x  | 3,574.0 |
| Luxembourg               | xx |         |
| Mexico                   | x  | 630.3   |
| Netherlands              | x  | 2,450.3 |
| New Zealand              | x  | 11.0    |
| Nicaragua                | x  | 53.1    |
| Norway                   | xx | 1,082.0 |
| Pakistan                 | x  | 1,430.9 |
| Panama                   | x  | 75.7    |
| Paraguay                 | x  | 42.6    |
| Peru                     | x  | 388.7   |
| Philippines              | x  | 1,675.7 |
| Portugal                 | x  | 402.2   |
| Spain                    | x  | 1,631.0 |
| Thailand                 | x  | 632.6   |
| Turkey                   | x  | 3,491.6 |
| Republic of South Africa | x  |         |
| United Kingdom           | x  | 8,685.6 |
| Uruguay                  | x  | 80.2    |
| Venezuela                | x  | 104.0   |

Nonmembers of U.N. (11):

|                             |   |         |
|-----------------------------|---|---------|
| Andorra                     |   |         |
| Bahrain                     |   |         |
| Federal Republic of Germany | x | 4,997.1 |
| Republic of Korea           |   | 5,029.6 |
| Kuwait                      |   |         |
| Maldives Islands            |   |         |
| Monaco                      |   |         |
| Muscat and Oman             |   |         |
| Qatar                       |   |         |
| San Marino                  | x |         |
| Trucial Oman                |   |         |

B. SOVIET ALINED NATIONS (15)

|                       |    |       |
|-----------------------|----|-------|
| Members of U.N. (10): |    |       |
| Albania               | xx | 20.0  |
| Bulgaria              |    |       |
| Byelorussia           | xx |       |
| Cuba                  | x  | 52.0  |
| Czechoslovakia        | xx | 191.0 |
| Hungary               | xx | 27.0  |
| Poland                | x  | 514.5 |
| Rumania               |    |       |
| U.S.S.R.              | xx | 419.0 |
| Ukraine               | xx |       |

Nonmembers of U.N. (5):

|                              |    |      |
|------------------------------|----|------|
| Red China                    |    |      |
| East Germany                 | xx | 17.0 |
| North Korea                  |    |      |
| Mongolia                     |    |      |
| Peoples' Republic of Vietnam |    |      |

C. NEUTRALIST OR NONALINED NATIONS (52)

Members of U.N. (46):

|                          |   |                  |
|--------------------------|---|------------------|
| Members of U.N. (46):    |   |                  |
| Afghanistan              | x | 182.9            |
| Austria                  | x | 1,170.9          |
| Burma                    | x | 94.5             |
| Cambodia                 | x | 298.1            |
| Cameroun                 | x | 2.1              |
| Central African Republic | x | ( <sup>1</sup> ) |
| Ceylon                   | x | 74.9             |
| Chad                     | x | 2.0              |
| Congo (Leopoldville)     | x | 78.3             |
| Congo (Brazzaville)      | x | ( <sup>1</sup> ) |
| Cyprus                   | x | ( <sup>1</sup> ) |
| Dahomey                  | x | 1.4              |
| Ethiopia and Eritrea     | x | 181.3            |
| Finland                  | x | 87.0             |
| Gabon                    | x | ( <sup>1</sup> ) |
| Ghana                    | x | 6.6              |

<sup>1</sup> Unspecified.

C. NEUTRALIST OR NONALINED NATIONS (52)

[In millions of dollars]

Members of U.N. (46):

|                      |    |         |
|----------------------|----|---------|
| Guinea               | x  | 3.8     |
| India                | x  | 3,071.9 |
| Indonesia            | x  | 583.5   |
| Iraq                 | x  | 67.0    |
| Ireland              | xx | 146.2   |
| Israel               | x  | 793.3   |
| Ivory Coast          | x  | .4      |
| Jordan               | x  | 303.0   |
| Laos                 | x  | 374.4   |
| Lebanon              | x  | 89.9    |
| Liberia              | x  | 116.3   |
| Libya                | x  | 180.0   |
| Malagasy             | x  | .5      |
| Malaya               | x  | 22.2    |
| Mali                 | x  | 2.5     |
| Morocco              | x  | 307.7   |
| Nepal                | x  | 43.5    |
| Niger                | x  | .7      |
| Nigeria              | x  | 16.4    |
| Saudi Arabia         | x  | 46.6    |
| Senegal              | x  | 3.6     |
| Somalia              | x  | 13.3    |
| Sudan                | x  | 53.5    |
| Sweden               | xx | 108.9   |
| Togo                 | x  | 1.9     |
| Tunisia              | x  | 255.2   |
| United Arab Republic | x  | 438.8   |
| Upper Volta          | x  | 1.3     |
| Yemen                | x  | 17.0    |
| Yugoslavia           | x  | 2,280.3 |

Nonmembers of U.N. (6):

|                     |    |         |
|---------------------|----|---------|
| Bhutan              |    |         |
| Liechtenstein       |    |         |
| Mauritania          | x  | 1.5     |
| Switzerland         | xx | 1.8     |
| Republic of Vietnam | x  | 2,118.5 |
| Sierra Leone        | x  | 1.0     |

A. WESTERN ALINED (53)

1. U.N. members (42):

|                                     |    |
|-------------------------------------|----|
| States currently receiving U.S. aid | 38 |
| States do not receive any aid now   | 4  |

2. Non-U.N. members (11):

|                                |   |
|--------------------------------|---|
| States currently receiving aid | 3 |
| States have never received aid | 8 |

B. SOVIET-ALINED (15)

1. U.N. members (10):

|                                                                                      |   |
|--------------------------------------------------------------------------------------|---|
| States currently receiving aid                                                       | 2 |
| States have never received aid                                                       | 2 |
| States do not receive any aid now                                                    | 6 |
| (Ukraine and Byelorussia were included in lend-lease to Russia during World War II.) |   |

2. Non-U.N. members (5):

|                                    |   |
|------------------------------------|---|
| States have never received aid     | 4 |
| State does not receive any aid now | 1 |

C. NEUTRALIST NATIONS (52)

1. U.N. members (46):

|                                   |    |
|-----------------------------------|----|
| States do not receive any aid now | 2  |
| States currently receiving aid    | 44 |

2. Non-U.N. members (6):

|                                    |   |
|------------------------------------|---|
| States have never received aid     | 2 |
| States currently receiving aid     | 3 |
| State does not receive any aid now | 1 |

Recapitulation

|                                                      |     |
|------------------------------------------------------|-----|
| 1. Independent entities or nations (+ United States) | 120 |
| U.N. members (+ United States)                       | 98  |
| Non-U.N. members                                     | 22  |
| 2. Nations currently receiving aid                   | 90  |
| U.N. members receiving aid                           | 84  |
| Non-U.N. members receiving aid                       | 6   |
| 3. Nations currently receiving aid                   | 90  |
| Western alined                                       | 41  |
| Soviet alined                                        | 2   |
| Neutralist                                           | 47  |
| 4. Nations who have received aid, but not now        | 14  |
| Western alined                                       | 4   |
| Soviet alined                                        | 7   |
| Neutralist                                           | 3   |
| 5. Nations who have never received aid               | 16  |
| Western alined                                       | 8   |
| Soviet alined                                        | 6   |
| Neutralist                                           | 2   |

AID—GRANTS OR LOANS—EXTENDED BY THE  
UNITED STATES TO 104 OF THE 120 OTHER  
NATIONS OF THE WORLD (SO-CALLED INDEPENDENT ENTITIES)

(Prepared for the use of Congressman OTTO E. PASSMANN)

Aid for period July 1, 1945-June 30, 1961

A. WESTERN ALINED (53)

[In millions of dollars]

|                       |    |         |
|-----------------------|----|---------|
| Members of U.N. (42): |    |         |
| Argentina             | x  | 537.9   |
| Australia             | xx |         |
| Belgium               | x  | 1,949.5 |
| Bolivia               | x  | 221.8   |
| Brazil                | x  | 1,698.5 |
| Canada                | xx |         |
| Chile                 | x  | 512.7   |
| China (Taiwan)        | x  | 4,161.1 |



## Recapitulation—Continued

|                                          |     |
|------------------------------------------|-----|
| 6. Other nations.....                    | 120 |
| Nations who have received aid.....       | 104 |
| Nations who have never received aid..... | 16  |

## NOTES

1. Division of world into three groups is based on best current knowledge of known alignments. There is no official list which delineates the nations according to their alignments. The designations are the generally accepted ones. The Soviet-aligned nations are according to the Battle Act designations of Iron Curtain countries. In the latest foreign-aid discussions in Congress no

attempt was made to make a specific list of countries that belong to the Soviet bloc.

2. Some countries, like Yugoslavia, are placed in neutralist camp because of no known military alliance.

3. Smaller self-governing entities are included in the 121 nations of the world because of their possible U.N. membership.

4. Ukraine and Byelorussia are voting members of the United Nations, but received aid under lend-lease given Russia as a whole.

5. Many other non-self-governing entities, colonies, or dependencies are also receiving aid from the United States. Some are slated for possible independence and U.N. membership in the future. Entities receiving aid are

Kenya, Tanganyika, Uganda, Cambodia, Algeria, Nyasaland, Northern and Southern Rhodesia, and many colonies such as Angola, Mozambique, Surinam, Hong Kong, and similar entities or international organizations, numbering around 40.

6. x denotes nations currently receiving aid. xx denotes nations not now receiving aid. Others have never received aid.

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*Comparisons of per capita income and per capita gross national product of various nations, which have received aid from the United States for the period of July 1, 1945, through June 30, 1961, for the years 1949 and 1959*

[Prepared for the use of Congressman OTTO E. PASSMAN]

| Countries                       | Aid received    | Per capita income 1949 | Per capita GNP 1959 | Countries                       | Aid received    | Per capita income 1949 | Per capita GNP 1959 |
|---------------------------------|-----------------|------------------------|---------------------|---------------------------------|-----------------|------------------------|---------------------|
|                                 | <i>Millions</i> |                        |                     |                                 | <i>Millions</i> |                        |                     |
| France.....                     | \$9,431.4       | \$482                  | \$1,146             | Burma.....                      | \$94.5          | \$36                   | \$53                |
| United Kingdom.....             | 8,685.6         | 773                    | 1,272               | Haiti.....                      | 92.6            | 40                     | 67                  |
| Italy.....                      | 5,641.9         | 235                    | 578                 | Lebanon.....                    | 89.9            | 125                    | 391                 |
| Korea.....                      | 5,029.6         | 35                     | 61                  | Uruguay.....                    | 80.2            | (331)                  | 198                 |
| Germany (Federal Republic)..... | 4,997.1         | 320                    | 1,140               | Costa Rica.....                 | 80.1            | 125                    | 412                 |
| Formosa (Taiwan).....           | 4,161.1         | 27                     | 108                 | Congo (Leopoldville).....       | 78.3            | Under 50               | 90                  |
| Japan.....                      | 3,574.0         | 100                    | 350                 | Panama.....                     | 75.7            | 183                    | 381                 |
| Turkey.....                     | 3,491.6         | 125                    | 167                 | Ceylon.....                     | 74.9            | 67                     | 131                 |
| Greece.....                     | 3,213.4         | 128                    | 350                 | Iceland.....                    | 70.2            | 476                    | 901                 |
| India.....                      | 3,071.9         | 57                     | 74                  | Iraq.....                       | 67.0            | 85                     | 151                 |
| Netherlands.....                | 2,450.3         | 502                    | 898                 | Sudan.....                      | 53.5            | Under 50               | 76                  |
| Yugoslavia.....                 | 2,280.3         | 146                    | 189                 | Nicaragua.....                  | 53.1            | 89                     | 211                 |
| Vietnam.....                    | 2,118.5         | (1)                    | 149                 | Cuba.....                       | 52.0            | 296                    | 389                 |
| Belgium-Luxembourg.....         | 1,949.5         | 582                    | 1,263               | Saudi Arabia.....               | 46.6            | 40                     | 167                 |
| Brazil.....                     | 1,698.5         | 112                    | 210                 | Nepal.....                      | 43.5            | (1)                    | 52                  |
| Philippines.....                | 1,675.7         | 44                     | 166                 | Paraguay.....                   | 42.6            | 84                     | 132                 |
| Spain.....                      | 1,631.0         | (1)                    | 313                 | Honduras.....                   | 40.5            | 83                     | 197                 |
| Indochina.....                  | 1,535.0         | (1)                    | (1)                 | Rhodesia and Nyasaland.....     | 33.3            | <sup>2</sup> (101) (—) | (160) (79)          |
| Pakistan.....                   | 1,430.9         | 51                     | 60                  | Malaya.....                     | 22.2            | (1)                    | 265                 |
| Iran.....                       | 1,195.2         | 85                     | 169                 | Yemen.....                      | 17.0            | 40                     | 86                  |
| Austria.....                    | 1,170.9         | 216                    | 731                 | West Indies Federation.....     | 17.0            | (1)                    | 360                 |
| Norway.....                     | 1,082.0         | 587                    | 1,180               | El Salvador.....                | 16.7            | 92                     | 200                 |
| Denmark.....                    | 856.9           | 689                    | 1,263               | Nigeria.....                    | 16.4            | Under 50               | 79                  |
| Israel.....                     | 793.3           | 389                    | 1,070               | Somali Republic.....            | 13.3            | Under 50               | 40                  |
| Thailand.....                   | 632.6           | 36                     | 97                  | Mozambique.....                 | 12.5            | Under 50               | Average 93          |
| Mexico.....                     | 630.3           | 121                    | 293                 | Dominican Republic.....         | 8.9             | 75                     | 232                 |
| Indonesia.....                  | 583.5           | 25                     | 51                  | Kenya.....                      | 7.4             | Under 50               | 102                 |
| Argentina.....                  | 537.9           | 346                    | 372                 | Ghana.....                      | 6.6             | Under 50               | 171                 |
| Poland.....                     | 514.5           | 300                    | 563                 | Tanganyika.....                 | 4.5             | Under 50               | 61                  |
| Chile.....                      | 512.7           | 188                    | 521                 | Guinea.....                     | 3.8             | Under 50               | 52                  |
| United Arab Republic.....       | 438.8           | 100                    | 139                 | Senegal.....                    | 3.6             | Under 50               | 182                 |
| Portugal.....                   | 402.2           | 250                    | 239                 | Surinam.....                    | 2.9             | (1)                    | Estimate 334        |
| Peru.....                       | 388.7           | 100                    | 150                 | Mali Republic.....              | 2.5             | Under 50               | 51                  |
| Laos.....                       | 374.4           | (1)                    | 65                  | Cameroun.....                   | 2.1             | Under 50               | Average 93          |
| Colombia.....                   | 319.3           | 132                    | 243                 | British Guiana.....             | 1.9             | (1)                    | Estimate 334        |
| Morocco.....                    | 307.7           | Under 50               | 143                 | Togo.....                       | 1.9             | Under 50               | Average 93          |
| Jordan.....                     | 303.0           | Under 50               | 118                 | British Honduras.....           | 1.6             | (1)                    | Estimate 334        |
| Cambodia.....                   | 298.1           | (1)                    | 98                  | Mauritania.....                 | 1.5             | Under 50               | Average 93          |
| Tunisia.....                    | 255.2           | Under 50               | 158                 | Dahomey.....                    | 1.4             | Under 50               | Average 93          |
| Bolivia.....                    | 221.8           | 55                     | 55                  | Upper Volta.....                | 1.3             | Under 50               | Average 93          |
| Afghanistan.....                | 182.9           | 50                     | 51                  | Uganda.....                     | 1.1             | Under 50               | 58                  |
| Ethiopia.....                   | 181.3           | 38                     | 45                  | Sierra Leone.....               | 1.0             | Under 50               | 70                  |
| Libya.....                      | 180.0           | Under 50               | 135                 | Niger.....                      | .7              | Under 50               | Average 93          |
| Guatemala.....                  | 149.6           | 77                     | 172                 | Malagasy Republic.....          | .5              | Under 50               | Average 93          |
| Ireland.....                    | 146.2           | 420                    | 601                 | Ivory Coast.....                | .4              | Under 50               | Average 93          |
| Berlin.....                     | 131.0           | —                      | 1,142               | Equatorial States (Africa)..... | .2              | Under 50               | Average 93          |
| Liberia.....                    | 116.3           | 38                     | 124                 | Centra African Republic.....    | —               | Under 50               | Average 93          |
| Sweden.....                     | 108.9           | 790                    | 1,518               | Congo Brazzaville.....          | —               | Under 50               | Average 93          |
| Venezuela.....                  | 104.0           | 322                    | 1,062               | Gabon.....                      | —               | Under 50               | Average 93          |
| Ecuador.....                    | 96.4            | 40                     | 201                 |                                 |                 |                        |                     |

## OTHER FREE WORLD STATES NOT RECEIVING AID

|                  |       |         |                               |       |       |
|------------------|-------|---------|-------------------------------|-------|-------|
| Canada.....      | \$870 | \$1,983 | Finland.....                  | \$348 | \$882 |
| Switzerland..... | 849   | 1,424   | Republic of South Africa..... | 264   | 412   |
| New Zealand..... | 856   | 1,510   | Cyprus.....                   | (1)   | 403   |
| Australia.....   | 679   | 1,480   | Jamaica.....                  | (1)   | 400   |

<sup>1</sup> Not available.

<sup>2</sup> Southern Rhodesia.

NOTE 1.—Comparative GNP data expressed in paper dollars or current market prices do not exist for the year 1949.

NOTE 2.—A rough comparison, however, is possible between per capita income and GNP figures if a common "rule of thumb" is applied [if a weighted average percentage is added to the per capita income: ], adding

a. an average of 15 percent [is added] to the per capita figures for 1949 for so-called industrialized countries.

b. an average of less than 5 percent [is] [added] to the per capita figures for

1949 for the so-called underdeveloped countries. Here the per capita income figure corresponds nearly to the per capita gross national product figure. [as there is practically no industry to speak of]

NOTE 3.—An average per capita GNP figure for 1959 for Latin American tropical areas is estimated at \$334 by the International Cooperation Administration. The corresponding average for tropical Africa is 93 for 1959.

NOTE 4.—1949 data are taken from the U.N. Statistical Papers Series E, No. 1, 1950. 1959 statistics are from the estimates of GNP by the Office of Statistics and Reports, ICA, Apr. 10, 1961.

Compiled by Hermann Ficker, Analyst in International Finance and Trade, Economics Division, Legislative Reference Service, The Library of Congress.



Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the distinguished gentleman from Texas.

Mr. MAHON. I assume that it is the hope of the gentleman from Louisiana, as it is my hope and the hope, I am sure, of most Members, that it will not be necessary for the executive branch to obligate or spend all the funds that are provided in this bill. I hope large sums can and will be saved. I have expressed this hope to the President.

Now would it be fair to say that the gentleman from Louisiana would be very happy if it should develop that a very substantial amount of funds, which are provided here, are not actually needed and are not actually utilized during the current fiscal year?

Mr. PASSMAN. I want to say that there is, in my opinion, going to be at least one-half billion dollars of the money that is in this bill which will not be needed, and which cannot be prudently obligated and usefully and soundly expended.

Mr. MAHON. Will not the gentleman from Louisiana be happy if that is the result and we are able to save those additional funds?

Mr. PASSMAN. The gentleman from Louisiana will never give encouragement to a philosophy that we can afford to appropriate excessive funds in the hope that they will not spend it. Any time you give them too much money, they are going to try to find places to give it away. I believe in keeping the fat out of the bill, and putting some sense into it, and not in appropriating money to throw away. That is about the same as giving a child \$2 to make a \$1 purchase in the expectation that when he comes back home he will have \$1 left.

Mr. MAHON. In that statement the gentleman has expressed precisely my own views. The gentleman has cut the bill as far as he could, hence my expression of hope that even additional saving could probably be made.

Mr. PASSMAN. The committee made these adjustments.

Mr. MAHON. But now that the funds have been provided, does not the gentleman from Louisiana feel that the officials of the executive branch should be encouraged to save all the funds that they possibly can save? No one should want excess appropriations, but neither do we want excessive expenditures—that is even worse than excessive appropriations.

Mr. PASSMAN. May I say to the distinguished gentleman from Texas that this is probably the last year that the Congress will have any reasonable degree of control over this program. Each Member of this body may, of course, interpret what we have done this year in his own way. We have gained a principle in not keeping the back-door financing method. But any time you write legislation stating, and I paraphrase, "Here is \$1,500 million in development credit, and if you make the commitments, we are going to provide the money"—you know and I know that legally the Congress has the right to cut it, but you probably could not muster 15 votes in support of that position. So,

it appears obvious that next year the Congress will have very little chance to substantially reduce the funds for this worldwide spending program. That is the opinion of the gentleman from Louisiana.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the distinguished gentleman from Virginia.

Mr. GARY. May I add to what the gentleman from Louisiana has said in further answer to the question raised by our colleague, that when the President signed the authorization bill he said that great attention and consideration should be given to those nations which share the views of the United States. The other body put practically the same language into this appropriation bill when it went over there, which language is as follows:

It is the sense of the Congress that in the administration of these funds great attention and consideration should be given to those nations which share the views of the United States on the world crisis.

May I say, we also hope that the converse will be true and that no consideration will be given to the so-called neutrals that try to kick our teeth down our throats every time they get a chance.

I am hopeful that is going to be a great source of savings during the coming year, and that, therefore, there will be a substantial balance at the end of the year.

Mr. PASSMAN. I thank the distinguished gentleman from Virginia, but knowing how the bureaucrats operate, I would say that the chances are that they are, at least on paper, allocating money this afternoon to some of those so-called neutrals who are kicking us in the pants.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from Texas [Mr. MAHON] hopes that all the money will not be spent. We all live in hope, even if we die in despair and I am afraid that many of us are going to die in despair if we wait for that miracle to happen. The way to shut off the spending is not to appropriate the money. I would hope to be here long enough to see the day when these foreign giveaway programs, that are contributing so much to the eventual bankruptcy of this country, are actually cut. Now this bill does not represent a cut. This provides an increase over the House figure. I commend the gentleman from Louisiana and the members of his subcommittee for the efforts they made and in which efforts they succeeded in preventing enactment of an even worse bill. They made at least an effort to stop this wanton disregard for American taxpayers.

I want to say just this to my friend from Louisiana—a moment ago he came close to saying it. I want to say that we fought one of the most ludicrous sham battles in this House of Representatives that has ever been fought over the issue of back-door spending in connection with the foreign aid bill. Of course, the ability to make commitments is the key to it, and the foreign aiders

will go ahead and make commitments for projects and programs far into the future. Thus you have back-door spending just as effectively as though it had been voted. That was a sham battle. The only way to stop this program from bankrupting the country is to cut it off or cut it right down to the bone.

Mr. PASSMAN. May I say to the distinguished gentleman that I, of course, do not agree with him that we did not cut this bill, but I do agree that we were unable to reduce it sufficiently. When the bill goes to the other body they have the right, under the Constitution, to make amendments. Then, when we go to conference we try to iron out the differences. I think that when you consider all of the money bills we deal with we have a record for sound economy and fiscal sanity in this subcommittee, the majority of the Members of which have fully supported me in my position try to take some of the fat out of the bill, I think the record will show that we have made the largest percentage of reduction year in and year out in this bill than for any other money bill before the Congress.

I hope the gentleman will support the committee and adopt the conference report.

I now yield to the distinguished gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Just a few days ago the gentleman heard, as did the rest of us, the gentleman from Virginia [Mr. SMITH] and the gentleman from Ohio [Mr. BROWN] tell us that whenever the downtown spenders could get their hands on money they would spend it. Does the gentleman agree or disagree?

Mr. PASSMAN. I do not think they have won any medals for not spending money which the Congress appropriated.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. HARDY. I want to compliment the gentleman and the conference committee on their accomplishment. I want to express some disappointment at the language in that part of the bill relating to the furnishing of information was amended.

I see that the same escape clause, apparently has been agreed to that was contained in the authorization bill.

Mr. PASSMAN. That is correct.

Mr. HARDY. Mr. Speaker, while it puts me in a very difficult position, I think I can appreciate the futility of trying to do anything about this at this time, but sooner or later the Congress is going to have to assert its prerogative in some way to get this information.

Mr. PASSMAN. I would say to the distinguished gentleman that should the President direct an agency to withhold information I am sure they would not provide that information to the committee. The agency is not going to disobey the orders of the President. I regret this situation, but I think that is the way the issue will turn out.

Mr. HARDY. Of course, we have had that experience in times past; nevertheless, since we do have the power of the



purse I think we should cut off funds or make the provision of funds contingent upon the furnishing of information which Congress requires.

Mr. PASSMAN. I would support such an amendment but I certainly doubt that we would get sufficient votes to adopt it.

Mr. PILLION. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. PILLION. The gentleman has made reference to the international balance of payments. As I understand the situation, our international balance of payments continues to be adverse and our position is in danger.

In the gentleman's opinion is foreign aid a major contributing factor to our adverse international balance of payments and is there possibly a serious run which develops a drain upon our resources?

Mr. PASSMAN. I would certainly think so, because through the program we make available the dollars. In the past 10 years we have been so generous in giving away our dollars that some of our friends abroad are using these dollars and buying our gold. Our gold reserves have dwindled from \$23½ billion 10 years ago down to \$17 billion. During that same 10 years, foreign nations have increased their dollar credits from \$10 billion to \$22 billion and this condition is getting worse every day.

Mr. PILLION. I commend the gentleman and the members of his committee for a very fine job.

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from California.

Mr. SHEPPARD. I want to compliment the gentleman for the manner in which he has presented this bill and to extend to him a congratulatory concept that the gentleman knows the basis for all of his bills that he presents.

However, from his comments I am inclined to believe he overlooked what is a major factor, or one of them at least, and that is that appropriations are made upon the premise of legal authorization. Is that correct?

Mr. PASSMAN. That is correct.

Mr. SHEPPARD. Under those circumstances it might be well if the Congress would itself quit authorizing, then demanding expenditures thereafter. In other words, let us not split the infinitive, let us do the whole job across the board.

Mr. PASSMAN. In response to the gentleman's statement, I should like to say that the Congress, in its wisdom during the past 7 years has, as of now, assuming House approval and Senate concurrence, reduced the amount of money requested by the executive branch by an aggregate in excess of \$5 billion. We have always understood that the Committee on Foreign Affairs and the Committee on Foreign Relations necessarily spend most of their time fixing policy. They leave it up to the Appropriations Committee, of course, to provide the money needed to meet the requirements. That is what we have been doing during the past 7 years, while also cutting some

of the waste from the program, and it is a record of which the committee is justly proud.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 84. An act to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes;

H.R. 3575. An act to authorize longer term leases of Indian lands on the Danis Reservation in Florida; and

H.R. 8320. An act to amend the Freeport Harbor project, Texas.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9169. An act making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. ELLENDER, Mr. HILL, Mr. MAGNUSON, Mr. HOLLAND, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to the Senate amendment to the bill (H.R. 3572) entitled "An act to place in trust status certain lands on the Crow Creek Indian Reservation in South Dakota."

The message also announced that the Senate further insists on its amendment to the bill (H.R. 5968) entitled "An act to amend the District of Columbia Unemployment Act, as amended", agrees to the further conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MORSE, Mr. BIBLE, and Mr. PROUTY to be the conferees on the part of the Senate.

#### SUPPLEMENTAL APPROPRIATION ACT, 1962

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9169) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BOW. Mr. Speaker, reserving the right to object, and I do so in order to propound a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state the parliamentary inquiry.

Mr. BOW. Mr. Speaker, my parliamentary inquiry is this: If an objection

is made to sending this to conference, the supplemental appropriation bill, whether or not the Speaker will then refer the bill to the committee having charge of the bill and that committee return the bill to the House in the Committee of the Whole House for the consideration of the Senate amendments as provided in "Cannon's Precedents" on page 115, and whether or not the House then can work its will in the Committee of the Whole House on each amendment of the Senate under the 5-minute rule, report the bill back to the House, and then move to send the bill to conference?

The SPEAKER pro tempore. The parliamentary inquiry involves several different fields, related, but nevertheless separate.

Mr. BOW. Mr. Speaker, I shall be glad to state them separately.

The SPEAKER pro tempore. The gentleman is clearly within his rights. In the first place, this is a procedure that the present occupant of the chair has no recollection of ever having taken place during his period of service in this body, and the Chair is informed for many years prior thereto.

When objection is made the leadership of the House is confronted with the problem as to what action should be taken in order to get the bill to conference as quickly as possible. The Chair, while not answering the parliamentary inquiry with reference to the committee and committee action and coming back to the House, and then to the Committee of the Whole, would frankly state to the gentleman that the present occupant of the chair would employ every method under the rules in order to get the bill from the Speaker's desk to conference.

Mr. BOW. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BOW. Mr. Speaker, inasmuch as these amendments of the Senate are in the nature of charges against the Treasury of the United States, I will ask this parliamentary inquiry:

Is it not then necessary under the rules and procedures as found in volume 5 of the Procedure of the House of Representatives that the bill be sent to the committee and then considered in the Committee of the Whole before sending it to conference?

The SPEAKER pro tempore. It is the opinion of the Chair that the answer which the Chair gave to the first part of the gentleman's parliamentary inquiry also answers this inquiry: that if objection is made, the Chair would feel constrained, insofar as the Chair is capable of accomplishing it, to have the bill taken from the Speaker's desk and sent to conference under the rules without reference to the committee.

Mr. BOW. I thank the Chair, and withdraw my reservation.

Mr. GROSS. Mr. Speaker, further reserving the right to object, if the conference report should go to the Rules Committee for a rule, would it be possible for the Rules Committee to vote out a rule sending the bill to committee?

The SPEAKER pro tempore. The answer is in the affirmative to that parliamentary inquiry.



FOREIGN ASSISTANCE AND RELATED AGENCIES  
APPROPRIATION BILL, 1962

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SEPTEMBER 26, 1961.—Ordered to be printed

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Mr. PASSMAN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 9033]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 10, 11, 12, 23, 28 and 29.

That the House recede from its disagreement to the amendments of the Senate numbered 16 and 26, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,112,500,000; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

Restore the matter stricken out and inserted by said amendment, and amended to read as follows: *including \$2,800,000 for ocean freight, \$2,000,000 for Atoms for Peace, and \$22,600,000 for the malaria eradication program, \$296,500,000*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

*Surveys of investment opportunities: For expenses authorized by section 232, \$1,500,000.*

And the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

Restore the matter stricken out and inserted by said amendment, amended to read as follows: *\$425,000,000, including \$15,000,000 for supporting assistance for Spain as authorized by section 402.*; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert: *\$275,000,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert: *\$47,500,000*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert: *\$24,500,000*; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the sum named in said amendment insert: *\$3,000,000*; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

Restore the matter stricken, amended to read as follows: *(not to exceed \$69,533,000)*; and the Senate agree to the same.



Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows:

Restore the matter stricken and inserted, amended to read as follows:

*SEC. 102. None of the funds herein appropriated (other than funds appropriated under the authorization for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per circular A-47 of the Bureau of the Budget, dated December 31, 1952.*

And the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$3,500; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$7,089,000; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

Restore the matter stricken, amended to read as follows:

#### *LIMITATION ON OPERATING EXPENSES*

*Not to exceed \$1,300,000,000 (of which not to exceed \$800,000,000 shall be for development loans) shall be obligated during the current fiscal year for other than administrative expenses.*

And the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

## TITLE V—PEACE CORPS

## FUNDS APPROPRIATED TO THE PRESIDENT

*For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act, including purchase of not to exceed sixteen passenger motor vehicles for use outside the United States, \$30,000,000.*

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 13, 18, 19, 20 and 27.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
CLARENCE CANNON,  
JOHN TABER,  
JOHN J. RHODES,

*Managers on the Part of the House.*

CARL HAYDEN,  
ALLEN J. ELLENDER,  
WARREN G. MAGNUSON,  
SPESSARD L. HOLLAND,  
JOHN O. PASTORE,  
LEVERETT SALTONSTALL,  
KARL E. MUNDT,  
MARGARET CHASE SMITH,

*Managers on the Part of the Senate.*



STATEMENT OF THE MANAGERS ON THE PART OF THE  
HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—FOREIGN ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC ASSISTANCE

Amendment No. 1—*Development loans*: Appropriates \$1,112,500,000 instead of \$1,025,000,000 as proposed by the House and \$1,200,000,000 as proposed by the Senate.

Amendment No. 2—*Development grants*: Appropriates \$296,500,000 instead of \$259,000,000 as proposed by the House and \$334,000,000 as proposed by the Senate; earmarks \$2,800,000 for ocean freight, \$2,000,000 for atoms for peace, and \$22,600,000 for the malaria eradication program; and deletes Senate language making the funds available until expended.

Amendment No. 3—*Development grants*: Reported in disagreement.

Amendment No. 4—*Surveys of investment opportunities*: Appropriates \$1,500,000 instead of \$3,000,000 as proposed by the Senate, and deletes Senate language making the funds available until expended.

Amendment No. 5—*Supporting assistance*: Appropriates \$425,000,000 as proposed by the Senate instead of \$400,000,000 as proposed by the House; earmarks \$15,000,000 for Spain instead of \$25,000,000 additional appropriation as proposed by the Senate; and deletes Senate language making the funds available until expended.

Amendment No. 6—*Contingency fund*: Appropriates \$275,000,000 instead of \$175,000,000 as proposed by the House and \$300,000,000 as proposed by the Senate. Public Law 87-195, the authorization act, authorized \$300,000,000 for this purpose. In arriving at the amount of \$275,000,000, the managers on the part of the House were able to secure agreement with their conference proposal of \$237,500,000 to which they, in the final settlement, agreed to add \$37,500,000 by deleting a like amount from the unobligated carryover of funds (in amendment No. 15) otherwise agreed to. In addition, the House managers agree that of the \$69,533,000 of carried-over unobligated funds, \$8,900,000 shall also be available for the contingency fund.

Amendment No. 7—*Administrative expenses*: Deletes Senate language relating to purchase of automobiles. It is understood that the

25 vehicles allowed by both House and Senate versions are for new additional equipment.

Amendment No. 8—*Administrative expenses*: Appropriates \$47,500,000 instead of \$45,000,000 as proposed by the House and \$50,000,000 as proposed by the Senate.

#### MILITARY ASSISTANCE

Amendment No. 9: Authorizes the use of not to exceed \$24,500,000 for administrative expenses instead of \$24,000,000 as proposed by the House and \$25,000,000 as proposed by the Senate.

Amendment No. 10: Deletes Senate language relating to the construction of facilities for the training of foreign military personnel.

Amendment No. 11: Appropriates \$1,600,000,000 as proposed by the House instead of \$1,700,000,000 as proposed by the Senate.

Amendment No. 12: Deletes Senate language making the funds available until expended.

Amendment No. 13: Reported in disagreement.

#### DEPARTMENT OF STATE

Amendment No. 14: Appropriates \$3,000,000 instead of \$6,000,000 as proposed by the Senate.

Amendments Nos. 15 and 16: Make available not to exceed \$69,533,000 of unobligated funds.

#### GENERAL PROVISIONS

Amendment No. 17: Restores House language relating to criteria for water or related land resource projects, amended to exclude its application on programs carried out by international organizations and programs.

Amendments Nos. 18, 19, and 20: Reported in disagreement.

### TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

#### RYUKYU ISLANDS, ARMY

##### ADMINISTRATION

Amendment No. 21: Authorizes \$3,500 for contingencies of the High Commissioner instead of \$3,000 as proposed by the House and \$4,000 as proposed by the Senate.

Amendment No. 22: Appropriates \$7,089,000 instead of \$6,089,000 as proposed by the House and \$7,835,000 as proposed by the Senate. The increase is to be used for salary increases for native Ryukyuan teachers.

Amendment No. 23: Authorizes \$1,722,000 for administrative and information expenses as proposed by the House instead of \$1,835,000 as proposed by the Senate.



## TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Amendment No. 24—*Limitation on operating expenses*: Restores House language amended to provide a limitation of \$1,300,000,000 on the total program of which not to exceed \$800,000,000 shall be for development loans. The Senate had proposed to delete the entire limitation and the House proposal had allowed \$1,170,000,000 for the total program of which not to exceed \$600,000,000 was for development loans.

## TITLE V—PEACE CORPS

Amendment No. 25: Appropriates \$30,000,000 instead of \$40,000,000 as proposed by the Senate.

## TITLE VI—GENERAL PROVISIONS

Amendment No. 26: Inserts reference symbol as proposed by the Senate.

Amendment No. 27: Reported in disagreement.

Amendment No. 28: Deletes Senate proposal relating to validation of obligations incurred subsequent to July 1, 1961.

Amendment No. 29: Changes section number as proposed by the House.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
CLARENCE CANNON,  
JOHN TABER,  
JOHN J. RHODES,

*Managers on the Part of the House.*

○













Public Law 87-329  
87th Congress, H. R. 9033  
September 30, 1961

## An Act

75 STAT. 717.

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1962, namely:

Foreign Assist-  
ance and Related  
Agencies Appro-  
priation Act,  
1962.

### TITLE I—FOREIGN ASSISTANCE

#### FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, to remain available until June 30, 1962, unless otherwise specified herein, as follows: Ante, p. 424.

#### ECONOMIC ASSISTANCE

Development loans: For expenses authorized by section 202(a), Ante, p. 426. \$1,112,500,000, to remain available until expended.

Development grants: For expenses authorized by section 212, including \$2,800,000 for ocean freight, \$2,000,000 for Atoms for Peace, and \$22,600,000 for the malaria eradication program, \$296,500,000.

Development grants, special authorization: For assistance authorized by section 214(b) at the discretion of the President for an American sponsored school in Poland, \$100,000, to be used to purchase foreign currencies which the Department of the Treasury may determine to be excess to the normal requirements of the United States.

Surveys of investment opportunities: For expenses authorized by section 232, \$1,500,000.

International organizations and programs: For expenses authorized by section 302, \$153,500,000.

Supporting assistance: For expenses authorized by section 402, \$425,000,000, including \$15,000,000 for supporting assistance for Spain as authorized by section 402.

Contingency fund: For expenses authorized by section 451(a), \$275,000,000.

Administrative expenses: For expenses authorized by section 637(a), including the purchase of not to exceed twenty-five passenger motor vehicles for use outside the United States, \$47,500,000.

#### MILITARY ASSISTANCE

Military assistance: For expenses authorized by section 504(a), Ante, p. 436. including administrative expenses authorized by section 636(g)(1), which shall not exceed \$24,500,000 for the current fiscal year, and purchase of passenger motor vehicles for replacement only for use outside the United States, \$1,600,000,000: *Provided*, That to the extent that these funds have not been otherwise previously programed amounts equivalent to the value of orders issued pursuant to the special authority granted in section 510(a) shall be used to reimburse the appropriations financing the replacement of goods or services furnished pursuant to such orders.

DEPARTMENT OF STATE

Ante, p. 460.  
65 Stat. 647.  
22 USC 1515.

Administrative and other expenses: For expenses authorized by section 637(b) of the Foreign Assistance Act of 1961 and by section 305 of the Mutual Defense Assistance Control Act of 1951, as amended, \$3,000,000.

68 Stat. 832.  
22 USC 1751 note.

Unobligated balances (not to exceed \$69,533,000) as of June 30, 1961, of funds heretofore made available under the authority of the Mutual Security Act of 1954, as amended, are, except as otherwise provided by law, hereby continued available for the fiscal year 1962 for the same general purposes for which appropriated.

GENERAL PROVISIONS

68 Stat. 830.  
31 USC 200.

SEC. 101. Amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance" except the subparagraph of this title for "Administrative expenses", are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose.

SEC. 102. None of the funds herein appropriated (other than funds appropriated under the authorization for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per circular A-47 of the Bureau of the Budget, dated December 31, 1952.

Report to  
Congress.

SEC. 103. Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

Exception.

SEC. 104. Except for the appropriations entitled "Contingency fund" and "Development loans", not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.

SEC. 105. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

SEC. 106. None of the funds herein appropriated shall be used to finance any of the activities under the Investment Incentive Fund Program.

Seating of Com-  
munist China  
in U. N., oppo-  
sition.

SEC. 107. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested

Notification  
of Congress by  
the President.



to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

SEC. 108. It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine.

Distinctions  
because of race  
or religion.

SEC. 109. None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest.

SEC. 110. Any obligation made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, that foreign procurement will not adversely affect the economy of the United States.

Report to con-  
gressional com-  
mittees.

Ante, p. 439.

SEC. 111. Public Law 87-195, approved September 4, 1961, is amended by inserting the following after the enacting clause: "That this Act may be cited as 'The Foreign Assistance Act of 1961'".

Ante, p. 424.

SEC. 112. It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those nations which share the view of the United States on the world crisis.

Administration  
of funds.

## TITLE II—DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

### RYUKYU ISLANDS, ARMY

#### ADMINISTRATION

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, as authorized by the Act of July 12, 1960 (74 Stat. 461); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed \$3,500 for contingencies for the High Commissioner, to be expended in his discretion; hire of passenger motor vehicles and aircraft; purchase of four passenger motor vehicles for replacement only; and construction, repair, and maintenance of buildings, utilities, facilities, and appurtenances; \$7,089,000, of which not to exceed \$1,722,000 shall be available for administrative and information expenses: *Provided*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended, section 4774(d) of title 10, United

60 Stat. 810.

40 USC 255;  
31 USC 529.

70A Stat. 269.

States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred.

### TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

61 Stat. 584.  
31 USC 849.

The Export-Import Bank of Washington is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided:

#### LIMITATION ON OPERATING EXPENSES

Not to exceed \$1,300,000,000 (of which not to exceed \$800,000,000 shall be for development loans) shall be obligated during the current fiscal year for other than administrative expenses.

#### LIMITATION ON ADMINISTRATIVE EXPENSES

60 Stat. 810.

68 Stat. 454.  
7 USC 1691 note.

75 STAT. 720.  
75 STAT. 721.

Not to exceed \$3,010,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for individuals, and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors; and, in addition, not to exceed the equivalent of \$200,000 of the aggregate amount of foreign currencies made available to the Export-Import Bank for loans pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred by the Export-Import Bank incident to such loans: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance shall be considered as nonadministrative expenses for the purposes hereof.



## TITLE IV—TREASURY DEPARTMENT

## INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For payment of subscriptions to the Inter-American Development Bank, to remain available until expended, \$110,000,000 of which \$60,000,000 is for the second installment on paid-in capital stock and \$50,000,000 is for payment of the second installment of the subscription of the United States to the fund for special operations.

## SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment of the second installment of the subscription of the United States to the International Development Association, \$61,656,000, to remain available until expended.

## TITLE V—PEACE CORPS

## FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act, including purchase of not to exceed sixteen passenger motor vehicles for use outside the United States, \$30,000,000. Ante, p. 612.

## TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress. Restrictions on use of funds.

SEC. 602. None of the funds herein appropriated shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance, relating to any review, inspection, or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, (A) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested or (B) a certification by the President, personally, that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

SEC. 603. This Act may be cited as the "Foreign Assistance and Related Agencies Appropriation Act, 1962". Short title.

Approved September 30, 1961.











Calendar No. 974

87TH CONGRESS  
1ST SESSION

# H. R. 9033

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 1961

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. KEATING (for himself, Mr. BUSH, Mr. FONG, and Mr. SCOTT) to the bill (H.R. 9033) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, viz: On page 7, after line 23, insert the following:

- 1        SEC. 111. It is the sense of Congress that in the admin-
- 2        istration of these funds great attention and consideration
- 3        should be given to those nations which share the view of
- 4        the United States on the world crisis.

87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 9033

## AMENDMENT

Intended to be proposed by Mr. KEATING (for himself, Mr. BUSU, Mr. FONG, and Mr. SCOTT) to the bill (H.R. 9033) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

SEPTEMBER 14, 1961

Ordered to lie on the table and to be printed



Calendar No. 974

87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 9033

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 1961

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. PROXMIRE to the bill (H.R. 9033) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, viz:

- 1 On page 2, line 25, strike out "\$425,000,000" and
- 2 insert in lieu thereof "\$375,000,000".

9-14-61—C

Calendar No. 974

87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 9033

## AMENDMENT

Intended to be proposed by Mr. PROxmire to the bill (H.R. 9033) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

SEPTEMBER 14, 1961

Ordered to lie on the table and to be printed